

**BALDWINSVILLE CENTRAL SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended June 30, 2020**

**MENGEL METZGER BARR & CO. LLP**

RAYMOND F. WAGER, CPA, P.C. DIVISION

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## INDEPENDENT AUDITORS' REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Baldwinsville Central School District, New York, as of and for the year ended June 30, 2020, 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 Baldwinsville Central School District, New York, as of June 30, 2020, 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 50–54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Baldwinsville 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 October 10, 2020 on our consideration of the Baldwinsville 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 Baldwinsville Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York  
October 10, 2020

*Mengel, Metzger, Barw & Co. LLP*

## **Baldwinsville Central School District**

### **Management's Discussion and Analysis**

#### **For the Fiscal Year Ended June 30, 2020**

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2020. This section is a summary of the 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 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 its total assets plus deferred outflows (what the district owns) by \$84,923,176 (net position) a decrease of \$8,457,264 from the prior year. A large part of the decrease was a result of an increase in net OPEB liability of \$2,027,102 plus an increase of \$6,232,920 of net pension liability. The latter is another creation by GASB to ostensibly show the additional liability the District may incur should NYS fail to adequately fund the Teachers' and Employee Retirement systems. These pension systems are one of the most solid pension systems in the United States.

General revenues which include State and Federal Aid and Property Taxes accounted for \$107,146,150 or 96% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$4,307,051 or 4% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$39,509,109, an increase of \$16,425,801 in comparison with the prior year. The increase was a result of the activity in the Capital Fund along with the acknowledgement of the premium paid to the District for Bonds issued in 2019-20 for the Capital Project approved by the voters in 2016.

#### **Overview of the Financial Statements**

This management's 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; General Fund, Special Aid Fund, School Lunch Fund, Library 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 special aid fund, the school lunch fund, the library 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.

<b><u>Major Feature of the District-Wide and Fund Financial Statements</u></b>			
	<b><u>Government-Wide Statements</u></b>	<b><u>Fund Financial Statements</u></b>	
		<b><u>Governmental Funds</u></b>	<b><u>Fiduciary Funds</u></b>
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 position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/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 they have 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 smaller on June 30, 2020, than the year before, decreasing 11% to (\$84,923,176) as shown in the table below.

	<b><u>Governmental Activities</u></b>		<b><u>Total</u></b>
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Variance</u></b>
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 85,325,999	\$ 65,874,318	\$ 19,451,681
Capital Assets	128,426,977	117,659,559	10,767,418
<b>Total Assets</b>	<b><u>\$ 213,752,976</u></b>	<b><u>\$ 183,533,877</u></b>	<b><u>\$ 30,219,099</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b><u>\$ 40,119,964</u></b>	<b><u>\$ 37,759,004</u></b>	<b><u>\$ 2,360,960</u></b>
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 252,673,280	\$ 207,710,724	\$ 44,962,556
Other Liabilities	40,072,672	38,980,678	1,091,994
<b>Total Liabilities</b>	<b><u>\$ 292,745,952</u></b>	<b><u>\$ 246,691,402</u></b>	<b><u>\$ 46,054,550</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b><u>\$ 46,050,164</u></b>	<b><u>\$ 51,067,391</u></b>	<b><u>\$ (5,017,227)</u></b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 67,590,328	\$ 70,071,807	\$ (2,481,479)
<b><u>Restricted For:</u></b>			
Employment Retirement System	9,478,347	10,323,477	(845,130)
Accrued Benefit Liability Reserve	4,111,360	4,342,353	(230,993)
Capital Reserve	5,092,858	5,231,796	(138,938)
Debt Service Reserve	3,797,072	1,002,457	2,794,615
Other Purposes	7,952,857	7,674,105	278,752
Unrestricted	(182,945,998)	(175,111,907)	(7,834,091)
<b>Total Net Position</b>	<b><u>\$ (84,923,176)</u></b>	<b><u>\$ (76,465,912)</u></b>	<b><u>\$ (8,457,264)</u></b>

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 are five restricted net asset balances; Reserve for ERS, Accrued Benefit Liability Reserve, Capital Reserve, Debt Service Reserve, and Other Purposes. The remaining balance is a deficit in unrestricted net position which totals (\$182,945,998).

**Key Variances are as Follows**

- Current and Other Assets grew by \$19,451,681 because the District sold bonds in June 2020 for a project approved by the voters in 2016. However the cash from this sale was held by our agent until the closing for the bonds was completed in July 2020.
- Capital Assets rose by \$10,767,418 due completed capital construction (net of overall depreciation).
- Long term Debt Obligations rose by \$44,962,556 due to the issuance of new debt in 2019 to pay for the completed project approved by the voters in 2016. This included new roofs for two elementary schools, a new high school kitchen and a new Transportation Center.

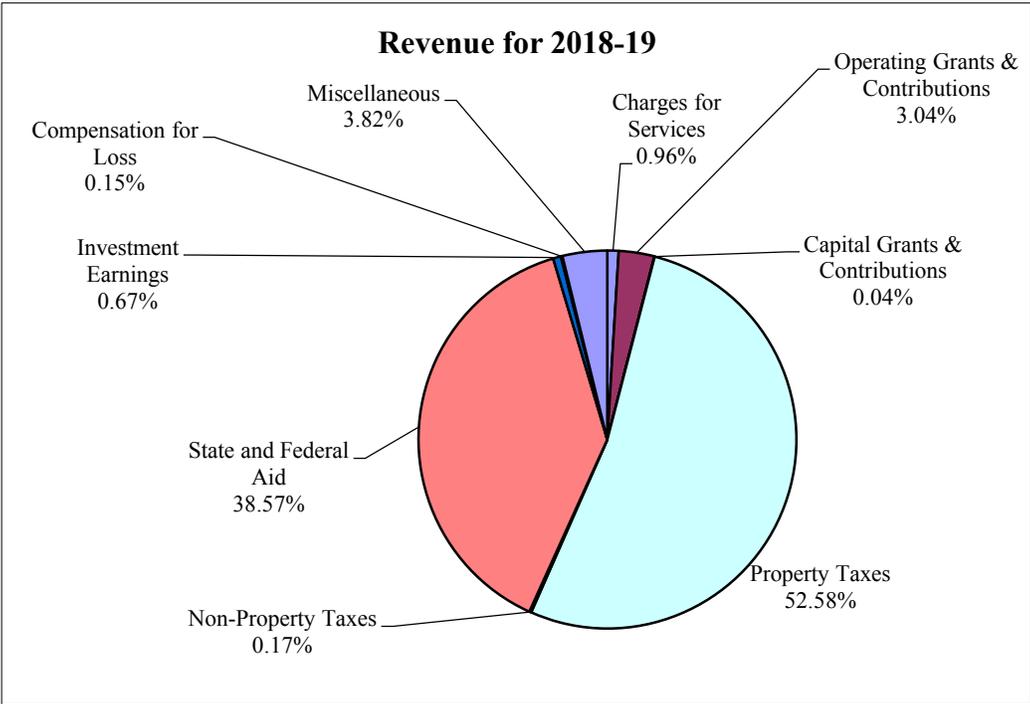
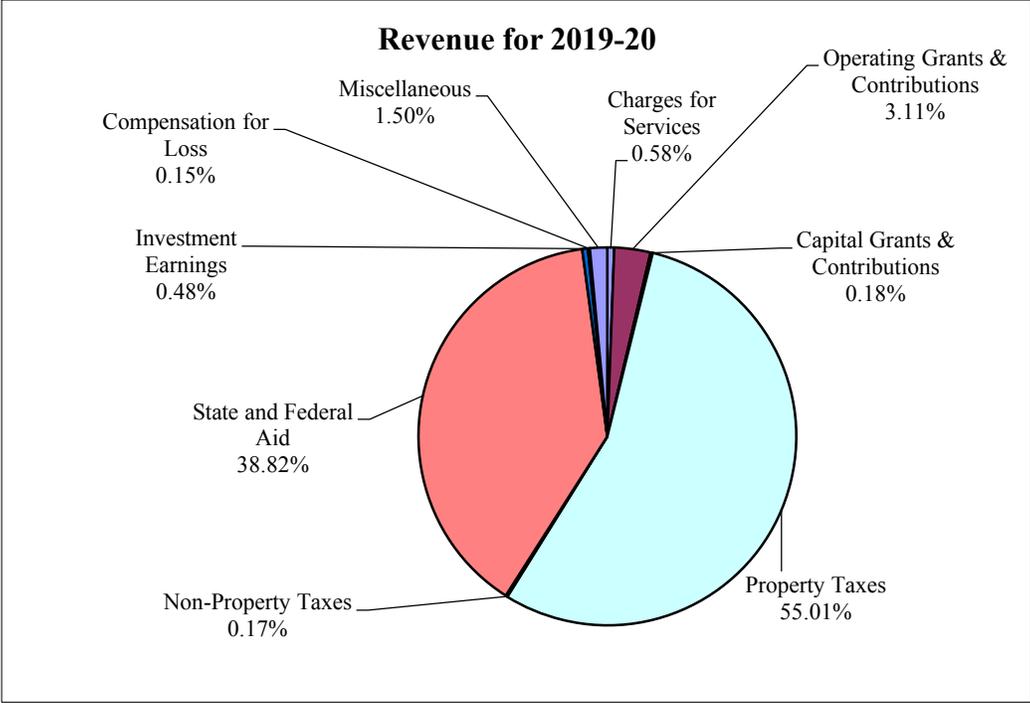
- Our Unrestricted Net Position changed due to an \$9 million increase in OPEB and a \$10,176,608 Pension Liability Accrual.
- Debt Service Reserve increased by \$2,794,615 due to the financing for the 2016 Capital Project. When the District issued bonds in June of 2019 this sum represents the excess revenue over expenses in the Debt Service Fund.

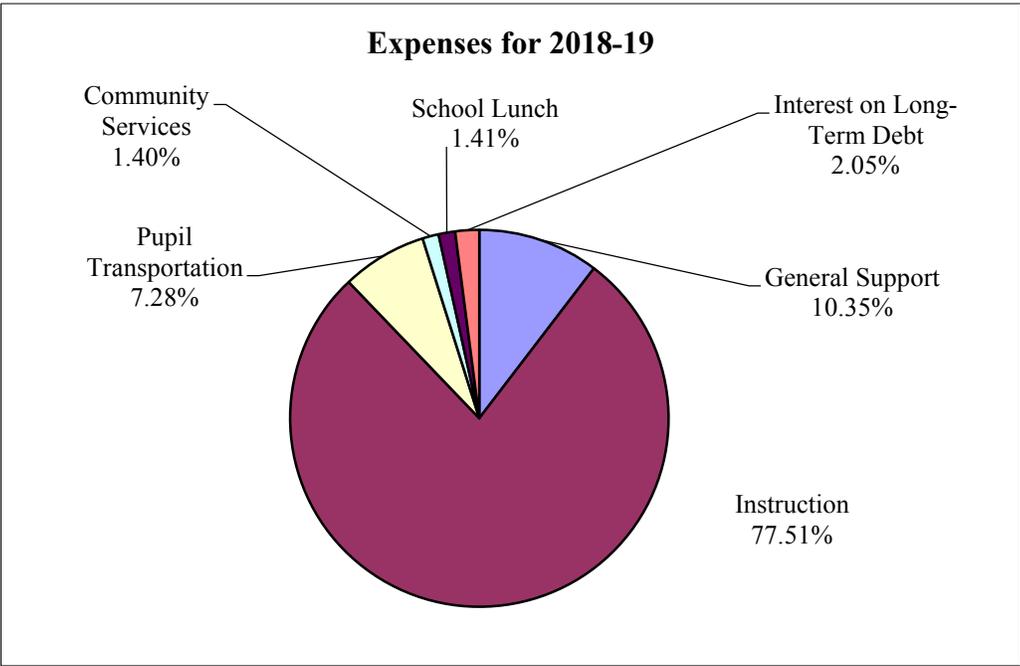
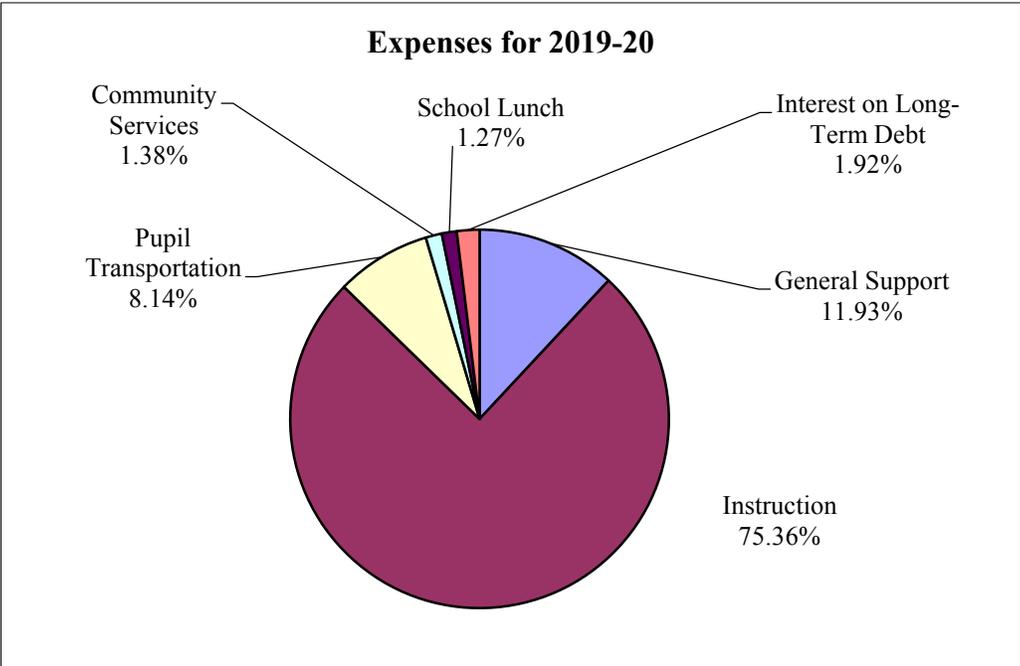
**Changes in Net Position**

The District’s total revenue decreased 2% to \$111,453,201. State and federal aid 39% and property taxes 55% accounted for most of the District’s revenue. The remaining 6% of the revenue comes from operating grants, capital grants, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 8% to \$119,910,465. The District’s expenses are predominately related to education and caring for the students (Instruction) 75%. General support, which included expenses associated with the operation, maintenance, and administration of the District, accounted for 12% of the total costs. See the table below:

	<b><u>Governmental Activities</u></b>		<b><u>Total</u></b>
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Variance</u></b>
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 645,491	\$ 1,089,763	\$ (444,272)
Operating Grants & Contributions	3,460,918	3,465,820	(4,902)
Capital Grants & Contributions	200,642	42,000	158,642
<b>Total Program</b>	<b>\$ 4,307,051</b>	<b>\$ 4,597,583</b>	<b>\$ (290,532)</b>
<b><u>General -</u></b>			
Property Taxes	\$ 61,312,034	\$ 59,916,900	\$ 1,395,134
Non Property Taxes	192,527	194,046	(1,519)
State and Federal Aid	43,266,186	43,959,230	(693,044)
Investment Earnings	540,218	768,708	(228,490)
Compensation for Loss	164,065	168,027	(3,962)
Miscellaneous	1,671,120	4,353,440	(2,682,320)
<b>Total General</b>	<b>\$ 107,146,150</b>	<b>\$ 109,360,351</b>	<b>\$ (2,214,201)</b>
<b>TOTAL REVENUES</b>	<b>\$ 111,453,201</b>	<b>\$ 113,957,934</b>	<b>\$ (2,504,733)</b>
<b><u>EXPENSES:</u></b>			
General Support	\$ 11,600,165	\$ 11,445,065	\$ 155,100
Instruction	93,062,652	85,669,112	7,393,540
Pupil Transportation	9,765,402	8,046,445	1,718,957
Community Services	1,656,084	1,543,901	112,183
School Lunch	1,524,362	1,558,694	(34,332)
Interest	2,301,800	2,266,887	34,913
<b>TOTAL EXPENSES</b>	<b>\$ 119,910,465</b>	<b>\$ 110,530,104</b>	<b>\$ 9,380,361</b>
<b>INCREASE IN NET POSITION</b>	<b>\$ (8,457,264)</b>	<b>\$ 3,427,830</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>(76,465,912)</b>	<b>(79,893,742)</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ (84,923,176)</b>	<b>\$ (76,465,912)</b>	





**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 \$39,509,109 which is more than last year's ending fund balance of \$23,083,308.

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 \$36,457,813. Fund balance for the General Fund increased by \$177,579 compared with the prior year. See the table below:

<b><u>General Fund Balances:</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Total Variance</u></b>
Nonspendable	\$ 1,481,863	\$ 1,522,545	\$ (40,682)
Restricted	26,635,422	27,300,158	(664,736)
Assigned	3,007,501	3,071,451	(63,950)
Unassigned	5,333,027	4,386,080	946,947
<b>Total General Fund Balances</b>	<b><u>\$ 36,457,813</u></b>	<b><u>\$ 36,280,234</u></b>	<b><u>\$ 177,579</u></b>

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$535,664. This change is attributable to \$412,926 of carryover encumbrances from the 2018-19 school year, \$104,675 for capital reserve-equipment purchases, and \$18,063 for insurance recoveries.

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

<b>Expenditure Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
Central Services	\$722,376	Covid 19 reduced expenses in 2019-20.
Teaching-Regular School	\$1,358,696	Covid 19 reduced expenses in 2019-20.
Programs for Children with Handicapping Conditions	\$739,547	Covid 19 reduced expenses in 2019-20.

## Capital Asset and Debt Administration

### Capital Assets

By the end of the 2019-20 fiscal year, the District had invested \$128,426,977 in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2020</u>	<u>2019</u>
Land	\$ 2,039,499	\$ 2,039,499
Buildings and Improvements	120,241,084	109,738,261
Machinery and Equipment	6,146,394	5,881,799
<b>Total Capital Assets</b>	<b><u>\$ 128,426,977</u></b>	<b><u>\$ 117,659,559</u></b>

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

### Long-Term Debt

At year end, the District had \$252,673,280 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2020</u>	<u>2019</u>
Serial Bonds	\$ 53,324,923	\$ 28,927,060
Installment Purchase Debt	2,955,000	3,120,000
Amortized Bond Premium	2,878,410	-
OPEB	180,985,536	171,166,971
Net Pension Liability	10,717,608	2,894,900
Compensated Absences	1,811,803	1,601,793
<b>Total Long-Term Obligations</b>	<b><u>\$ 252,673,280</u></b>	<b><u>\$ 207,710,724</u></b>

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

## Factors Bearing on the District's Future

The District remains concerned about the long term effects of Covid 19 on the finances of the State of NY. Without some assistance from the Federal Government, school districts in New York are looking at a state aid cut of up to 20%. If one assumes capital aid will not be touched due to concerns for the Bond Market, a 20% cut for Baldwinsville CSD would amount to a loss of \$8 million. This would cause furloughs or layoffs to staff at all levels. The administration has begun to look at various scenarios while remaining aware of possible effects on instruction. The District does have fund balance on our balance sheet that we could use for a rainy day, however the magnitude of the possible cut precludes the heavy use of this fund balance. 75% of the cost of running our District is our personnel and their associated benefit costs. Just as we absorbed a large aid cut that lasted several years starting in 2009 with the real estate market collapse, we will do the same thing in 2020-21 and the years going forward. Back in 2009 and for several years after ward, we cut staff thru attrition and used the federally supplied ARRA money to bridge the gap. The basic strengths of Baldwinsville CSD remain: We have a very supportive community who have consistently approved annual budgets and capital projects. Our enrollment is steady and our District housing stock is constantly being added to. People want to move into our District largely due to the schools. We will continue to manage the District's finances conservatively going into the future.

### **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:

Baldwinsville Central School District  
29 East Oneida Street Complex  
Baldwinsville, New York 13027

**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Net Position**

**June 30, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 43,547,134
Cash with fiscal agent	28,847,862
Accounts receivable	6,262,866
Inventories	91,024
Net pension asset	6,577,113
<b>Capital Assets:</b>	
Land	2,039,499
Other capital assets (net of depreciation)	126,387,478
<b>TOTAL ASSETS</b>	<b><u>\$ 213,752,976</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b><u>\$ 40,119,964</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 932,813
Accrued liabilities	2,632,761
Unearned revenues	60,644
Due to other governments	1,026
Due to teachers' retirement system	4,083,241
Due to employees' retirement system	419,873
Bond anticipation notes payable	31,942,314
<b>Long-Term Obligations:</b>	
Due in one year	4,286,905
Due in more than one year	248,386,375
<b>TOTAL LIABILITIES</b>	<b><u>\$ 292,745,952</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b><u>\$ 46,050,164</u></b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 67,590,328
<b>Restricted For:</b>	
Debt service	3,797,072
Reserve for employee retirement system	9,478,347
Accrued benefit liability reserve	4,111,360
Capital reserves	5,092,858
Other purposes	7,952,857
Unrestricted	(182,945,998)
<b>TOTAL NET POSITION</b>	<b><u>\$ (84,923,176)</u></b>

(See accompanying notes to financial statements)

**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Activities**

**For Year Ended June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government -</b>					
General support	\$ 11,600,165	\$ -	\$ -	\$ -	\$ (11,600,165)
Instruction	93,062,652	205,265	2,700,614	200,642	(89,956,131)
Pupil transportation	9,765,402	-	-	-	(9,765,402)
Community services	1,656,084	-	-	-	(1,656,084)
School lunch	1,524,362	440,226	760,304	-	(323,832)
Interest	2,301,800	-	-	-	(2,301,800)
<b>Total Primary Government</b>	<b>\$ 119,910,465</b>	<b>\$ 645,491</b>	<b>\$ 3,460,918</b>	<b>\$ 200,642</b>	<b>\$ (115,603,414)</b>
<b>General Revenues:</b>					
					\$ 61,312,034
Property taxes					192,527
Non property taxes					43,266,186
State and federal aid					540,218
Investment earnings					164,065
Compensation for loss					1,671,120
Miscellaneous					
<b>Total General Revenues</b>					<b>\$ 107,146,150</b>
Changes in Net Position					\$ (8,457,264)
<b>Net Position, Beginning of Year</b>					<b>(76,465,912)</b>
<b>Net Position, End of Year</b>					<b>\$ (84,923,176)</b>

**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**June 30, 2020**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,218,627	\$ 5,395,324	\$ 933,183	\$ 43,547,134
Cash with fiscal agent	-	28,847,862	-	28,847,862
Receivables	3,754,407	242,658	2,265,801	6,262,866
Inventories	-	-	91,024	91,024
Due from other funds	2,771,104	8,110	3,804,061	6,583,275
<b>TOTAL ASSETS</b>	<b><u>\$ 43,744,138</u></b>	<b><u>\$ 34,493,954</u></b>	<b><u>\$ 7,094,069</u></b>	<b><u>\$ 85,332,161</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities -</b>				
Accounts payable	\$ 321,887	\$ 561,372	\$ 49,554	\$ 932,813
Accrued liabilities	1,770,349	-	29,517	1,799,866
Notes payable - bond anticipation notes	-	31,942,314	-	31,942,314
Due to other funds	690,975	3,668,584	2,223,716	6,583,275
Due to other governments	-	-	1,026	1,026
Due to TRS	4,083,241	-	-	4,083,241
Due to ERS	419,873	-	-	419,873
Unearned revenue	-	-	60,644	60,644
<b>TOTAL LIABILITIES</b>	<b><u>\$ 7,286,325</u></b>	<b><u>\$ 36,172,270</u></b>	<b><u>\$ 2,364,457</u></b>	<b><u>\$ 45,823,052</u></b>
<b>Fund Balances -</b>				
Nonspendable	\$ 1,481,863	\$ -	\$ 91,024	\$ 1,572,887
Restricted	26,635,422	2,847,936	3,797,072	33,280,430
Assigned	3,007,501	-	841,516	3,849,017
Unassigned	5,333,027	(4,526,252)	-	806,775
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 36,457,813</u></b>	<b><u>\$ (1,678,316)</u></b>	<b><u>\$ 4,729,612</u></b>	<b><u>\$ 39,509,109</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 43,744,138</u></b>	<b><u>\$ 34,493,954</u></b>	<b><u>\$ 7,094,069</u></b>	

**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. 128,426,977

Interest is accrued on outstanding bonds in the statement of net position but not in the funds. (832,895)

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	(53,324,923)
OPEB	(180,985,536)
Compensated absences	(1,811,803)
Unamortized Bond Premium	(2,878,410)
Installment purchase debt	(2,955,000)
Net pension asset	6,577,113
Deferred outflow - pension	27,756,052
Deferred outflow - OPEB	12,363,912
Net pension liability	(10,717,608)
Deferred inflow - pension	(9,423,238)
Deferred inflow - OPEB	(36,626,926)

**Net Position of Governmental Activities** **\$ (84,923,176)**

**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes and tax items	\$ 59,800,677	\$ -	\$ 1,511,357	\$ 61,312,034
Non-property taxes	192,527	-	-	192,527
Charges for services	205,265	-	16,698	221,963
Use of money and property	533,219	-	6,992	540,211
Sale of property and compensation for loss	164,065	-	-	164,065
Miscellaneous	1,290,997	7	62,563	1,353,567
State sources	42,947,832	200,642	526,695	43,675,169
Federal sources	318,354	-	2,933,333	3,251,687
Sales	-	-	440,226	440,226
Premium on obligations issued	-	-	3,180,162	3,180,162
<b>TOTAL REVENUES</b>	<b>\$ 105,452,936</b>	<b>\$ 200,649</b>	<b>\$ 8,678,026</b>	<b>\$ 114,331,611</b>
<b>EXPENDITURES</b>				
General support	\$ 8,178,100	\$ -	\$ 385,548	\$ 8,563,648
Instruction	55,808,059	-	2,689,327	58,497,386
Pupil transportation	5,333,695	1,126,587	85,682	6,545,964
Community services	-	-	1,260,189	1,260,189
Employee benefits	29,693,364	-	567,750	30,261,114
Debt service - principal	-	-	3,727,146	3,727,146
Debt service - interest	-	-	2,232,625	2,232,625
Cost of sales	-	-	509,198	509,198
Other expenses	-	-	620,606	620,606
Capital outlay	-	13,647,943	-	13,647,943
<b>TOTAL EXPENDITURES</b>	<b>\$ 99,013,218</b>	<b>\$ 14,774,530</b>	<b>\$ 12,078,071</b>	<b>\$ 125,865,819</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 6,439,718</b>	<b>\$ (14,573,881)</b>	<b>\$ (3,400,045)</b>	<b>\$ (11,534,208)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - in	\$ -	\$ 204,675	\$ 6,057,464	\$ 6,262,139
Transfers - out	(6,262,139)	-	-	(6,262,139)
Proceeds from obligations	-	27,489,923	-	27,489,923
BAN's redeemed from appropriations	-	470,086	-	470,086
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (6,262,139)</b>	<b>\$ 28,164,684</b>	<b>\$ 6,057,464</b>	<b>\$ 27,960,009</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 177,579</b>	<b>\$ 13,590,803</b>	<b>\$ 2,657,419</b>	<b>\$ 16,425,801</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>36,280,234</b>	<b>(15,269,119)</b>	<b>2,072,193</b>	<b>23,083,308</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 36,457,813</b>	<b>\$ (1,678,316)</b>	<b>\$ 4,729,612</b>	<b>\$ 39,509,109</b>

(See accompanying notes to financial statements)

**BALDWINVILLE 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 Year Ended June 30, 2020**

**NET CHANGE IN FUND BALANCES -**  
**TOTAL GOVERNMENTAL FUNDS** \$ 16,425,801

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	\$ 13,647,943	
Additions to Assets, Net	1,512,422	
Depreciation	<u>(4,392,946)</u>	
		10,767,419

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	\$ 3,727,146	
Proceeds from Bond Issuance	(27,489,923)	
Proceeds from BAN Redemption	(470,086)	
Unamortized Bond Premium	<u>(2,878,410)</u>	
		(27,111,273)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (69,175)

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. (2,027,102)

(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		(4,204,135)
Employees' Retirement System		(2,028,789)

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>(210,010)</u>
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (8,457,264)**

**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Fiduciary Net Position**

**June 30, 2020**

	<b>Private Purpose Trust</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 169,507	\$ 3,420,370
<b>TOTAL ASSETS</b>	<b><u>\$ 169,507</u></b>	<b><u>\$ 3,420,370</u></b>
<b>LIABILITIES</b>		
Accounts payable - general fund	\$ -	\$ 1,258,442
Extraclassroom activity balances	-	191,640
Other liabilities	-	1,970,288
<b>TOTAL LIABILITIES</b>	<b><u>\$ -</u></b>	<b><u>\$ 3,420,370</u></b>
<b>NET POSITION</b>		
Restricted for scholarships	\$ 169,507	
<b>TOTAL NET POSITION</b>	<b><u>\$ 169,507</u></b>	

**Statement of Changes in Fiduciary Net Position  
For Year Ended June 30, 2020**

	<b>Private Purpose Trust</b>
<b>ADDITIONS</b>	
Contributions	\$ 105,959
<b>TOTAL ADDITIONS</b>	<b><u>\$ 105,959</u></b>
<b>DEDUCTIONS</b>	
Other expenses	\$ 95,638
<b>TOTAL DEDUCTIONS</b>	<b><u>\$ 95,638</u></b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 10,321</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b><u>159,186</u></b>
<b>NET POSITION, END OF YEAR</b>	<b><u>\$ 169,507</u></b>

# BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

## Notes To The Basic Financial Statements

June 30, 2020

### I. Summary of Significant Accounting Policies

The financial statements of the Baldwinsville 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 Baldwinsville 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.

#### 2. Public Library

The Public Library jointly shares the services of the District Treasurer, appoints trustees for library purposes, and has title to real property used by the Library.

**( I. ) (Continued)**

**B. Joint Venture**

The District is a component of the Onondaga, Cortland-Madison Counties 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 \$9,039,628 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$2,900,545.

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 financial resources used for acquisition, construction, or major repair of capital facilities.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor 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.

**Public Library Fund** - Used to account for transactions of a library governed by a library Board of Trustees and supported by the general tax levy.

**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. There are two classes of fiduciary funds:

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

**Agency Funds** - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District 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, 2019 and become a lien on August 24, 2019. Taxes are collected during the period September 1 to October 31, 2019.

Uncollected real property taxes are subsequently enforced by the County(ies) in which the District is located. The County(ies) pay an amount representing uncollected real property taxes transmitted to the County(ies) 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.

**G. Interfund 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.

**( I. ) (Continued)**

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 VI 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.

**J. Receivables**

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

**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.

**( I. ) (Continued)**

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.

**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.

**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. The District may have three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

**( I. ) (Continued)**

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. The District may have two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

**O. Vested Employee Benefits**

**1. Compensated Absences**

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.

Certain 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.

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.

( I . ) ( Continued )

**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.

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

	<b><u>Total</u></b>
Workers' Compensation	\$ 916,919
Unemployment Costs	1,356,695
Teachers' Retirement	1,669,193
Tax Certiorari	1,198,919
Liability	<u>2,811,131</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u><u>\$ 7,952,857</u></u></b>

( I. ) (Continued)

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 \$182,945,998 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:

	<b>Total</b>
Inventory in School Lunch	\$ 91,024
Noncurrent Receivables	1,481,863
<b>Total Nonspendable Fund Balance</b>	<b>\$ 1,572,887</b>

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:

**Capital Reserve** - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

			<b>Total</b>
<b>Name of Reserve</b>	<b>Maximum Funding</b>	<b>Total Funding Provided</b>	<b>Year to Date Balance</b>
2017 Capital Reserve	\$ 5,000,000	\$ 4,755,741	\$ 3,888,783
2020 Capital Reserve	\$ 5,000,000	\$ 1,203,805	\$ 1,204,075

**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.

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

**Retirement 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.

**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.

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

**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.

( I. ) (Continued)

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

Restricted fund balances include the following:

	<b><u>Total</u></b>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 916,919
Unemployment Costs	1,356,695
Employee Retirement Contribution	9,478,347
Teacher Retirement Contribution	1,669,193
Tax Certiorari	1,198,919
Liability	2,811,131
Capital Reserves	5,092,858
Employee Benefit Accrued Liability	4,111,360
<b><u>Capital Fund -</u></b>	
Capital Projects	2,847,936
<b><u>Debt Service Fund -</u></b>	
Debt Service	3,797,072
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 33,280,430</u></u></b>

The District appropriated and/or budgeted funds from the following reserves for the 2020-21 budget:

	<b><u>Total</u></b>
Workers' Compensation	\$ 160,000
Retirement Contribution	1,642,220
<b>Total</b>	<b><u><u>\$ 1,802,220</u></u></b>

**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.

( I. ) (Continued)

Management has determined significant encumbrances for the General Fund to be \$139,000 and the Capital Projects Fund to be \$24,000. The District reports the following significant encumbrances.

<b><u>General Fund -</u></b>	
General Support	\$ 147,351
Instruction	239,807
Teaching - Regular School	213,374
<b>Total General Fund Significant Encumbrances</b>	<b><u><u>\$ 600,532</u></u></b>
<b><u>Capital Projects Fund -</u></b>	
Capital Outlay	<b><u><u>\$ 1,318,765</u></u></b>

Assigned fund balances include the following:

	<b><u>Total</u></b>
General Fund - Encumbrances	\$ 403,136
General Fund - Appropriated for Taxes	2,604,365
Library Fund - Year End Equity	626,363
School Lunch Fund - Year End Equity	215,153
<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 3,849,017</u></u></b>

- c. **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.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

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.

**( I. ) (Continued)**

**T. New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2020, the District implemented the following new standards issued by GASB:

GASB has issued Statement 92, *Omnibus 2020, Paragraphs 1-11a, and 12.*

GASB has issued Statement No. 95, *Postponement of the Effective Dates for Certain Authoritative Guidance.*

**U. Future Changes in Accounting Standards**

ASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2019.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

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. 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.

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

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.

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. 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. During the 2019-20 year the budget was increased \$412,926 for carryover encumbrances, \$104,675 for voter approved transfer for equipment purchases and \$18,063 for insurance recoveries.

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.

### **C. New York State Real Property Tax**

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.

### **D. Deficit Net Position**

The District-wide net position had a deficit at June 30, 2020 of \$156,582,196. 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 \$180,985,536 at June 30, 2020. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

( II. ) (Continued)

**E. Deficit Fund Balance – Capital Projects Fund**

The Capital Projects Fund had a deficit undesignated fund balance of \$4,526,252 at June 30, 2020, 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).

**III. 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

The District's aggregate bank balances, included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		45,435,792
Collateralized within Trust Department or Agent		305,011
<b>Total</b>	<b>\$</b>	<b><u>45,740,803</u></b>

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 \$33,280,430 within the governmental funds and \$169,507 in the fiduciary funds.

**IV. Investment Pool**

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year end are \$767,564, which consisted of \$49,278 in repurchase agreements, \$471,207 in U.S. Treasury Securities, \$44,519 in FDIC insured deposits and \$202,560 in collateralized bank deposits, with various interest rates and due dates.

( IV. ) (Continued)

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Description of Investment</u>
General Fund	\$ 767,564	\$ 767,564	CLASS

V. Receivables

Receivables at June 30, 2020 for individual major funds and nonmajor 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>Capital Projects Fund</u>	<u>Non-Major Funds</u>	
Accounts Receivable	\$ 1,548,076	\$ -	\$ 21,837	\$ 1,569,913
Due From State and Federal	1,016,751	242,658	2,224,826	3,484,235
Due From Other Governments	1,189,580	-	30,250	1,219,830
Allowance for Uncollectible Accounts	-	-	(11,112)	(11,112)
<b>Total Receivables</b>	<b>\$ 3,754,407</b>	<b>\$ 242,658</b>	<b>\$ 2,265,801</b>	<b>\$ 6,262,866</b>

VI. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2020 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 2,771,104	\$ 690,975	\$ -	\$ 6,262,139
Special Aid Fund	6,989	2,223,686	97,692	-
School Lunch Fund	-	30	-	-
Debt Service Fund	3,797,072	-	5,959,772	-
Capital Projects Fund	8,110	3,668,584	204,675	-
<b>Total</b>	<b>\$ 6,583,275</b>	<b>\$ 6,583,275</b>	<b>\$ 6,262,139</b>	<b>\$ 6,262,139</b>

Interfund 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.

**VII. Capital Assets**

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 2,039,499	\$ -	\$ -	\$ 2,039,499
Work in progress	-	13,647,943	13,647,943	-
<i>Total Nondepreciable</i>	<u>\$ 2,039,499</u>	<u>\$ 13,647,943</u>	<u>\$ 13,647,943</u>	<u>\$ 2,039,499</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 157,118,406	\$ 13,422,137	\$ -	\$ 170,540,543
Machinery and equipment	16,834,699	1,738,227	749,400	17,823,526
<i>Total Depreciated Assets</i>	<u>\$ 173,953,105</u>	<u>\$ 15,160,364</u>	<u>\$ 749,400</u>	<u>\$ 188,364,069</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 47,380,145	\$ 2,919,314	\$ -	\$ 50,299,459
Machinery and equipment	10,952,900	1,473,632	749,400	11,677,132
<i>Total Accumulated Depreciation</i>	<u>\$ 58,333,045</u>	<u>\$ 4,392,946</u>	<u>\$ 749,400</u>	<u>\$ 61,976,591</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 115,620,060</u>	<u>\$ 10,767,418</u>	<u>\$ -</u>	<u>\$ 126,387,478</u>
<b>Total Capital Assets</b>	<b><u>\$ 117,659,559</u></b>	<b><u>\$ 24,415,361</u></b>	<b><u>\$ 13,647,943</u></b>	<b><u>\$ 128,426,977</u></b>

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

<b><u>Governmental Activities:</u></b>	
General Government Support	\$ 222,462
Instruction	3,091,659
Pupil Transportation	1,078,369
School Lunch	456
<b>Total Depreciation Expense</b>	<b><u>\$ 4,392,946</u></b>

**VIII. Short-Term Debt**

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

	<u>Original Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>
BAN-2016							
Capital Project	\$ 28,932,400	10/25/2019	3.00%	\$ 28,932,400	\$ -	\$ 28,932,400	\$ -
BAN-2016							
Capital Project	\$ 31,942,314	7/24/2020	2.00%	-	31,942,314	-	31,942,314
<b>Total Short-Term Debt</b>				<b><u>\$ 28,932,400</u></b>	<b><u>\$ 31,942,314</u></b>	<b><u>\$ 28,932,400</u></b>	<b><u>\$ 31,942,314</u></b>

( VIII. ) (Continued)

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

Interest Paid	\$ 865,561
Less: Interest Accrued in the Prior Year	(177,062)
Plus: Interest Accrued in the Current Year	327,409
<b>Total Short-Term Interest Expense</b>	<b>\$ 1,015,908</b>

**IX. Long-Term Debt Obligations**

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

	<b>Balance 7/1/2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2020</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable -</b>					
Serial Bonds	\$ 28,927,060	\$ 27,489,923	\$ 3,092,060	\$ 53,324,923	\$ 3,574,923
Installment Purchase Debt	3,120,000	-	165,000	2,955,000	170,000
Amortized Bond Premium	-	2,878,410	-	2,878,410	89,031
<b>Total Bonds and Notes Payable</b>	<b>\$ 32,047,060</b>	<b>\$ 30,368,333</b>	<b>\$ 3,257,060</b>	<b>\$ 59,158,333</b>	<b>\$ 3,833,954</b>
<b>Other Liabilities -</b>					
Net Pension Liability	\$ 2,894,900	\$ 7,822,708	\$ -	\$ 10,717,608	\$ -
OPEB	171,166,971	9,818,565	-	180,985,536	-
Compensated Absences	1,601,793	210,010	-	1,811,803	452,951
<b>Total Other Liabilities</b>	<b>\$ 175,663,664</b>	<b>\$ 17,851,283</b>	<b>\$ -</b>	<b>\$ 193,514,947</b>	<b>\$ 452,951</b>
<b>Total Long-Term Obligations</b>	<b>\$ 207,710,724</b>	<b>\$ 48,219,616</b>	<b>\$ 3,257,060</b>	<b>\$ 252,673,280</b>	<b>\$ 4,286,905</b>

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

Existing serial and statutory bond obligations:

<b>Description</b>	<b>Original Amount</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Amount Outstanding 6/30/2020</b>
<b>Serial Bonds -</b>					
Construction	\$ 10,425,000	2012	2026	2%-5%	\$ 5,270,000
Construction	\$ 8,710,000	2014	2026	2%-5%	5,990,000
Buses	\$ 1,061,468	2016	2021	2.00%	220,000
Reconstruction	\$ 14,345,000	2017	2032	2%-5%	12,315,000
Buses	\$ 1,062,002	2017	2022	1.18%	435,000
Buses	\$ 1,149,514	2018	2023	2.00%	715,000
Buses	\$ 1,087,060	2019	2024	2.000%-2.125%	890,000
Buses	\$ 1,134,923	2020	2025	5.00%	1,134,923
Construction	\$ 26,355,000	2020	2048	3%-5%	26,355,000
<b>Total Serial Bonds</b>					<b>\$ 53,324,923</b>
Unamortized Bond Premium					2,878,410
<b>Total Serial Bonds, Net</b>					<b>\$ 56,203,333</b>
<b>Installment Purchase Debt -</b>					
Installment Purchase Debt	\$ 3,235,000	2018	2033	3.25%-4.00%	<b>\$ 2,955,000</b>

(IX.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Installment Purchase Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 3,574,923	\$ 2,575,032	\$ 170,000	\$ 129,088
2022	3,820,000	2,096,445	180,000	122,288
2023	3,770,000	1,926,391	190,000	115,088
2024	3,675,000	1,760,709	190,000	107,488
2025	3,620,000	1,583,318	200,000	97,987
2026-30	14,220,000	5,710,738	1,180,000	328,187
2031-35	8,425,000	2,790,525	845,000	61,962
2036-40	4,145,000	1,546,525	-	-
2041-45	4,830,000	857,700	-	-
2046-48	3,245,000	147,975	-	-
<b>Total</b>	<b>\$ 53,324,923</b>	<b>\$ 20,995,358</b>	<b>\$ 2,955,000</b>	<b>\$ 962,088</b>

Interest on long-term debt for June 30, 2020 was composed of:

Interest Paid	\$ 1,367,064
Less: Interest Accrued in the Prior Year	(586,658)
Plus: Interest Accrued in the Current Year	505,486
<b>Total Long-Term Interest Expense</b>	<b>\$ 1,285,892</b>

X. **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	\$ 27,756,052	\$ 9,423,238
OPEB	12,363,912	36,626,926
<b>Total</b>	<b>\$ 40,119,964</b>	<b>\$ 46,050,164</b>

XI. **Pension Plans**

A. **General Information**

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems 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.

( XI. ) (Continued)

**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.nystrs.org](http://www.nystrs.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](http://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

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2020:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2020	\$ 1,704,242	\$ 4,083,241

( XI. ) (Continued)

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

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 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, 2020	June 30, 2019
Net pension assets/(liability)	\$ (10,717,608)	\$ 6,577,113
District's portion of the Plan's total net pension asset/(liability)	0.04%	0.25%

For the year ended June 30, 2020, the District recognized pension expenses of \$3,711,530 for ERS and \$8,038,127 for TRS. At June 30, 2020 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	\$ 630,775	\$ 4,457,141	\$ -	\$ 489,087
Changes of assumptions	215,802	12,425,046	186,341	3,029,578
Net difference between projected and actual earnings on pension plan investments	5,494,367	-	-	5,274,505
Changes in proportion and differences between the District's contributions and proportionate share of contributions	284,108	-	87,399	356,328
Subtotal	<u>\$ 6,625,052</u>	<u>\$ 16,882,187</u>	<u>\$ 273,740</u>	<u>\$ 9,149,498</u>
District's contributions subsequent to the measurement date	419,873	3,828,940	-	-
<b>Grand Total</b>	<b><u><u>\$ 7,044,925</u></u></b>	<b><u><u>\$ 20,711,127</u></u></b>	<b><u><u>\$ 273,740</u></u></b>	<b><u><u>\$ 9,149,498</u></u></b>

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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

( XI. ) (Continued)

	<u>Year</u>	<u>ERS</u>	<u>TRS</u>
	2020	\$ -	\$ 2,879,973
	2021	1,106,418	93,202
	2022	1,621,693	2,869,188
	2023	2,006,516	1,892,311
#	2024	1,616,685	216,958
	Thereafter	-	(218,943)
	<b>Total</b>	<b>\$ 6,351,312</b>	<b>\$ 7,732,689</b>

**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, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.80%	7.10%
Salary scale	4.20%	4.72%-1.90%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.20%
COLA's	1.30%	1.30%

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

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, 2020 are summarized as follows:

( XI. ) (Continued)

<b>Long Term Expected Rate of Return</b>		
	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2020	June 30, 2019
<b><u>Asset Type -</u></b>		
Domestic equity	4.05%	6.30%
International equity	6.15%	7.80%
Global equity	0.00%	7.20%
Private equity	6.75%	9.90%
Real estate	4.95%	4.60%
Absolute return strategies *	3.25%	0.00%
Opportunistic portfolios	4.65%	0.00%
Real assets	5.95%	0.00%
Bonds and mortgages	0.75%	0.00%
Cash	0.00%	0.00%
Inflation-indexed bonds	0.50%	0.00%
Private debt	0.00%	6.50%
Real estate debt	0.00%	2.90%
High-yield fixed income securities	0.00%	3.60%
Domestic fixed income securities	0.00%	1.30%
Global fixed income securities	0.00%	0.90%
Short-term	0.00%	0.30%

The real rate of return is net of the long-term inflation assumption of 2.5% 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 6.8% 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 Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% 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 (5.80% for ERS and 6.10% for TRS ) or 1-percentage-point higher (7.80% for ERS and 8.10% for TRS) than the current assumption :

( XI. ) (Continued)

	<b>1% Decrease</b>	<b>Current Assumption</b>	<b>1% Increase</b>
<b>ERS</b>	<b><u>(5.80%)</u></b>	<b><u>(6.80%)</u></b>	<b><u>(7.80%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ (19,669,836)	\$ (10,717,608)	\$ (2,472,567)
		<b>Current Assumption</b>	<b>1% Increase</b>
<b>TRS</b>	<b><u>(6.10%)</u></b>	<b><u>(7.10%)</u></b>	<b><u>(8.10%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ (29,688,400)	\$ 6,577,113	\$ 36,999,786

**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:

	<b>(In Thousands)</b>	
	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2020	June 30, 2019
Employers' total pension liability	\$ 194,596,261	\$ 119,879,474
Plan net position	168,115,682	122,477,481
Employers' net pension asset/(liability)	<b><u>\$ (26,480,579)</u></b>	<b><u>\$ 2,598,007</u></b>
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%	102.20%

**I. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$419,873.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 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, 2020 amounted to \$4,083,241.

**XII. 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	399
Active Employees	<u>809</u>
<b>Total</b>	<b><u><u>1,208</u></u></b>

**B. Total OPEB Liability**

The District’s total OPEB liability of \$180,985,536 was measured as of July 1, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary Increases	3.0 percent, average, including inflation
Discount Rate	3.5 percent
Healthcare Cost Trend Rates	8.0 percent for 2020, decreasing to an ultimate rate of 3.84 percent for 2089 and later years
Retirees' Share of Benefit-Related Costs	Varies between 0% and 25% depending on contract

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

Mortality rates were based on the RPH-2014 Mortality Tables, adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.

( XII. ) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 171,166,971</u>
<u>Changes for the Year -</u>	
Service cost	\$ 5,967,458
Interest	6,768,927
Changes in assumptions or other inputs	1,535,723
Benefit payments	<u>(4,453,543)</u>
Net Changes	<u>\$ 9,818,565</u>
<b>Balance at June 30, 2020</b>	<b><u><u>\$ 180,985,536</u></u></b>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2019 to 3.5 percent in 2020.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount</b>	<b>1% Increase</b>
	<b><u>(2.5%)</u></b>	<b><u>Rate</u></b>	<b><u>(4.5%)</u></b>
		<b><u>(3.5%)</u></b>	
Total OPEB Liability	\$ 213,235,300	\$ 180,985,536	\$ 155,190,431

*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:

	<b>1% Decrease</b>	<b>Healthcare</b>	<b>1% Increase</b>
	<b><u>(7.00%)</u></b>	<b><u>Cost Trend Rates</u></b>	<b><u>(9.00%)</u></b>
	<b><u>Decreasing</u></b>	<b><u>(8.00%)</u></b>	<b><u>(9.00%)</u></b>
	<b><u>to 2.84%</u></b>	<b><u>Decreasing</u></b>	<b><u>Decreasing</u></b>
		<b><u>to 3.84%</u></b>	<b><u>to 4.84%</u></b>
Total OPEB Liability	\$ 150,244,703	\$ 180,985,536	\$ 221,381,107

( XII. ) (Continued)

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$6,847,466. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ 21,109,909
Changes of assumptions	7,543,547	15,517,017
Contributions after measurement date	4,820,365	-
<b>Total</b>	<b><u>\$ 12,363,912</u></b>	<b><u>\$ 36,626,926</u></b>

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

<b><u>Year</u></b>	
2021	\$ (5,888,919)
2022	(5,888,919)
2023	(5,888,919)
2024	(5,888,919)
2025	(4,933,516)
Thereafter	(594,187)
<b>Total</b>	<b><u>\$ (29,083,379)</u></b>

**XIII. 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. Workers' Compensation**

The District is a member of the Onondaga Cortland-Madison Workers' Compensation 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 purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid.

( XIII. ) (Continued)

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, 2020, the District incurred premiums or contribution expenditures totaling \$507,177.

C. **Major Medical**

The District self insures for major medical coverage for its employees. The District uses a third party administrator who is responsible for processing claims and estimating liabilities. They have also purchased stop-loss insurance for any major medical claims which exceed 125% of expected total claims. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic social factors.

A reconciliation of the claims recorded for 2020 and 2019 is as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Beginning liabilities	\$ 1,203,806	\$ 3,611,417
Incurred claims	18,635,014	13,124,026
Claims payments	<u>(18,635,014)</u>	<u>(15,531,637)</u>
<b>Ending Liabilities</b>	<b><u>\$ 1,203,806</u></b>	<b><u>\$ 1,203,806</u></b>

The following statistical information is presented:

	<b>Contribution</b>	<b>Actual Claim</b>
<b><u>Year</u></b>	<b><u>Revenue</u></b>	<b><u>Expense</u></b>
2020	\$ 18,635,014	\$ 18,635,014
2019	\$ 13,124,026	\$ 15,531,637
2018	\$ 15,440,223	\$ 15,433,860
2017	\$ 16,163,816	\$ 16,113,318
2016	\$ 14,483,669	\$ 14,359,892
2015	\$ 14,863,104	\$ 14,547,158
2014	\$ 12,318,808	\$ 12,341,490
2013	\$ 12,168,231	\$ 12,422,268

**( XIII. ) (Continued)**

**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 District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2019-20 fiscal year totaled \$272,770. The balance of the fund at June 30, 2020 was \$1,356,695 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2020, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

**XIV. Commitments and Contingencies**

**A. Litigation**

There are several tax certiorari claims requesting reductions of assessments for which the outcome is not determinable 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.

**XV. Tax Abatement**

The County of Onondaga 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 \$1,082,461.

**XVI. Subsequent Events**

**A. State Aid**

On August 13, 2020, the Division of the Budget (DOB) issued the FY 2021 First Quarterly State Budget Financial Plan Update which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June, which includes 3609-a General Aid, , 3609-b Excess Cost Aid, 3609-d BOCES Aid payments, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any.

DOB's Updated Financial Plan includes \$8.2 billion in recurring local aid reductions, and states that the earliest DOB expects to transmit a detailed aid-to-localities reduction plan to the Legislature is late in the second quarter of the State's FY 2021, and that, in the absence of unrestricted Federal Aid, the DOB will continue to withhold a range of payments through the second quarter of FY 2021.

**( XVI. ) (Continued)**

**B. Bond Anticipation Note**

On July 23, 2020 the District issued a Bond Anticipation Note for safety and security enhancements in the amount of \$3,480,000 at an interest rate of 1.25% which matures June 29, 2021.

**XVII. COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (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 outbreak and continuing effects of the COVID-19 health crisis in the State has had and is expected to have a significantly adverse effect on the State’s financial condition. On April 25, 2020 the New York State Division of the Budget announced that the FY 2021 Enacted State Budget Financial Plan (the “Financial Plan”) projects a \$13.3 billion shortfall, or 14%, in revenue from the Executive Budget Forecast released in January and estimates a \$61 billion decline through FY 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by \$10.1 billion from the Executive Budget. This represents a \$7.3 billion reduction in state spending from FY 2020 levels. The \$10.1 billion in spending reductions from the levels proposed in the Executive Budget include a \$8.2 billion reduction in “aid-to-localities”, a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and the State’s not-for-profit partners. The dramatic decline in the State General Fund receipts is not a one-year problem. The Division of the Budget expects the reduced receipts to carry through each subsequent year of the four year Financial Plan, creating a total loss of \$60.5 billion through FY 2024 compared to the Executive Budget. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to “aid to localities” which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

**Required Supplementary Information**  
**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Changes in District's Total OPEB Liability and Related Ratio**  
**For Year Ended June 30, 2020**

<b>TOTAL OPEB LIABILITY</b>			
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Service cost	\$ 5,967,458	\$ 6,041,347	\$ 7,635,866
Interest	6,768,927	6,741,195	5,850,661
Differences between expected and actual experiences	-	(29,060,911)	-
Changes of assumptions or other inputs	1,535,723	8,559,871	(25,400,469)
Benefit payments	<u>(4,453,543)</u>	<u>(4,657,264)</u>	<u>(4,387,630)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ 9,818,565</b>	<b>\$ (12,375,762)</b>	<b>\$ (16,301,572)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 171,166,971</b>	<b>\$ 183,542,733</b>	<b>\$ 199,844,305</b>
<b>Total OPEB Liability - Ending</b>	<b><u>\$ 180,985,536</u></b>	<b><u>\$ 171,166,971</u></b>	<b><u>\$ 183,542,733</u></b>
 Covered Employee Payroll	 \$ 51,191,979	 \$ 46,410,495	 \$ 48,068,115
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 353.54%	 368.81%	 382.00%

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**  
**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**For Year Ended June 30, 2020**

<b>NYSERS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.0405%	0.0409%	0.0423%	0.0391%	0.0417%	0.0417%
Proportionate share of the net pension liability (assets)	\$ 10,717,608	\$ 2,894,900	\$ 1,364,956	\$ 3,671,420	\$ 6,693,349	\$ 1,273,881
Covered-employee payroll	\$ 12,109,011	\$ 11,810,352	\$ 11,931,892	\$ 10,794,427	\$ 10,706,865	\$ 11,220,415
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	88.509%	24.512%	11.440%	34.012%	62.515%	11.353%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

<b>NYSTRS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.2532%	0.2530%	0.2526%	0.2478%	0.2458%	0.2419%
Proportionate share of the net pension liability (assets)	\$ (6,577,113)	\$ (4,574,052)	\$ (1,920,060)	\$ 2,653,976	\$ (25,532,943)	\$ (26,944,583)
Covered-employee payroll	\$ 43,216,025	\$ 42,256,513	\$ 40,196,453	\$ 40,043,674	\$ 38,220,275	\$ 37,782,054
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-15.219%	-10.824%	-4.777%	6.628%	-66.805%	-71.316%
Plan fiduciary net position as a percentage of the total pension liability	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**  
**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of District Contributions**  
**For Year Ended June 30, 2020**

<b>NYSERS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contributions	\$ 1,704,242	\$ 1,695,137	\$ 1,766,951	\$ 1,627,046	\$ 1,805,493	\$ 2,194,177
Contributions in relation to the contractually required contribution	<u>(1,704,242)</u>	<u>(1,695,137)</u>	<u>(1,766,951)</u>	<u>(1,627,046)</u>	<u>(1,805,493)</u>	<u>(2,194,177)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered-employee payroll	\$ 12,109,011	\$ 11,810,352	\$ 11,931,892	\$ 10,794,427	\$ 10,706,865	\$ 11,220,415
Contributions as a percentage of covered-employee payroll	14.07%	14.35%	14.81%	15.07%	16.86%	19.56%

<b>NYSTRS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contributions	\$ 4,083,241	\$ 4,758,524	\$ 4,297,455	\$ 4,942,705	\$ 5,302,722	\$ 5,806,176
Contributions in relation to the contractually required contribution	<u>(4,083,241)</u>	<u>(4,758,524)</u>	<u>(4,297,455)</u>	<u>(4,942,705)</u>	<u>(5,302,722)</u>	<u>(5,806,176)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered-employee payroll	\$ 43,216,025	\$ 42,256,513	\$ 40,196,453	\$ 40,043,674	\$ 38,220,275	\$ 37,782,054
Contributions as a percentage of covered-employee payroll	9.45%	11.26%	10.69%	12.34%	13.87%	15.37%

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**  
**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For Year Ended June 30, 2020**

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 57,687,869	\$ 50,347,006	\$ 50,344,058	\$ (2,948)
Real property tax items	1,952,254	9,293,117	9,456,619	163,502
Non-property taxes	300,000	300,000	192,527	(107,473)
Charges for services	237,500	237,500	205,265	(32,235)
Use of money and property	400,000	400,000	533,219	133,219
Sale of property and compensation for loss	100,000	118,063	164,065	46,002
Miscellaneous	765,000	765,000	1,290,997	525,997
<b>State Sources -</b>				
Basic formula	39,542,473	39,542,473	29,993,679	(9,548,794)
Lottery aid	-	-	9,052,310	9,052,310
BOCES	3,437,693	3,437,693	2,900,545	(537,148)
Textbooks	462,324	462,324	339,074	(123,250)
<b>All Other Aid -</b>				
Computer software	106,112	106,112	192,931	86,819
Library loan	-	-	36,237	36,237
Handicapped students	-	-	171,485	171,485
Other aid	-	-	261,571	261,571
<b>Federal Sources</b>	<u>100,000</u>	<u>100,000</u>	<u>318,354</u>	<u>218,354</u>
<b>TOTAL REVENUES</b>	<u>\$ 105,091,225</u>	<u>\$ 105,109,288</u>	<u>\$ 105,452,936</u>	<u>\$ 343,648</u>
Appropriated reserves	<u>\$ 1,902,222</u>	<u>\$ 2,006,897</u>		
Appropriated fund balance	<u>\$ 2,658,525</u>	<u>\$ 2,658,525</u>		
Prior year encumbrances	<u>\$ 412,926</u>	<u>\$ 412,926</u>		
<b>TOTAL REVENUES AND</b>				
<b>APPROPRIATED RESERVES/</b>				
<b>FUND BALANCE</b>	<u><u>\$ 110,064,898</u></u>	<u><u>\$ 110,187,636</u></u>		

**Required Supplementary Information**  
**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Current Year's Expenditures</b>	<b>Encumbrances</b>	<b>Unencumbered Balances</b>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 59,180	\$ 86,093	\$ 76,104	\$ 184	\$ 9,805
Central administration	286,742	291,610	276,215	1,329	14,066
Finance	1,017,755	1,021,545	975,839	5,782	39,924
Staff	587,790	849,579	798,009	9,829	41,741
Central services	6,403,973	6,100,669	5,248,066	130,227	722,376
Special items	825,652	815,423	803,867	-	11,556
<b>Instructional -</b>					
Instruction, administration and improvement	4,220,428	4,195,220	4,014,939	7,648	172,633
Teaching - regular school	33,542,746	33,459,604	31,887,534	213,374	1,358,696
Programs for children with handicapping conditions	12,402,112	12,415,074	11,674,290	1,237	739,547
Occupational education	1,037,354	1,039,523	1,039,523	-	-
Teaching - special schools	171,530	171,568	143,253	-	28,315
Instructional media	2,333,472	2,346,118	2,219,427	5,198	121,493
Pupil services	5,203,387	5,142,055	4,829,093	12,350	300,612
<b>Pupil Transportation</b>	5,850,604	5,817,015	5,333,695	15,978	467,342
<b>Employee Benefits</b>	29,864,709	30,074,401	29,693,364	-	381,037
<b>Debt service - interest</b>	100,000	100,000	-	-	100,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 103,907,434</u>	<u>\$ 103,925,497</u>	<u>\$ 99,013,218</u>	<u>\$ 403,136</u>	<u>\$ 4,509,143</u>
<b>Other Uses -</b>					
Transfers - out	\$ 6,157,464	\$ 6,262,139	\$ 6,262,139	\$ -	\$ -
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 110,064,898</u>	<u>\$ 110,187,636</u>	<u>\$ 105,275,357</u>	<u>\$ 403,136</u>	<u>\$ 4,509,143</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,579</u>		
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>36,280,234</u>	<u>36,280,234</u>	<u>36,280,234</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 36,280,234</u></u>	<u><u>\$ 36,280,234</u></u>	<u><u>\$ 36,457,813</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**  
**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Change From Adopted Budget To Final Budget**  
**And The Real Property Tax Limit**  
**For Year Ended June 30, 2020**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:**

Adopted budget	\$ 109,651,972
Prior year's encumbrances	412,926
	\$ 110,064,898
<b>Original Budget</b>	<b>\$ 110,064,898</b>
Budget revisions -	
Capital reserve - equipment purchases	104,675
Insurance recoveries	18,063
	\$ <b>110,187,636</b>
<b>FINAL BUDGET</b>	<b>\$ <u>110,187,636</u></b>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:**

2020-21 voter approved expenditure budget	\$ 112,259,824
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 3,007,501
Unassigned fund balance	5,333,027
Total Unrestricted fund balance	\$ 8,340,528
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 2,604,365
Encumbrances included in assigned fund balance	403,136
Total adjustments	\$ 3,007,501
General fund fund balance subject to Section 1318 of	
Real Property Tax Law	5,333,027
<b>ACTUAL PERCENTAGE</b>	<b>4.75%</b>

Supplementary Information  
**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**CAPITAL PROJECTS FUND**  
**Schedule of Project Expenditures**  
**For Year Ended June 30, 2020**

<b>Project Title</b>	<b>Expenditures</b>		<b>Expenditures</b>			<b>Unexpended Balance</b>	<b>Methods of Financing</b>			<b>Fund Balance</b>	
	<b>Original Appropriation</b>	<b>Revised Appropriation</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>		<b>Obligations</b>	<b>Local Sources</b>	<b>State Sources</b>		<b>Total</b>
2016-17 Bus Purchases	\$ 1,062,002	\$ 1,062,002	\$ 1,020,662	\$ -	\$ 1,020,662	\$ 41,340	\$ 1,062,002	\$ -	\$ -	\$ 1,062,002	\$ 41,340
2017-18 Bus Purchases	1,149,514	1,149,514	1,121,324	-	1,121,324	28,190	1,149,514	-	-	1,149,514	28,190
2018-19 Bus Purchases	1,087,060	1,087,060	1,066,330	-	1,066,330	20,730	1,087,060	-	-	1,087,060	20,730
2019-20 Bus Purchases	1,134,923	1,134,923	-	1,126,587	1,126,587	8,336	1,134,923	-	-	1,134,923	8,336
2013-14 Renovation Project	18,500,000	18,500,000	18,393,792	-	18,393,792	106,208	14,345,000	4,155,000	-	18,500,000	106,208
2015-16 Renovation Project	32,432,400	32,432,400	19,228,359	8,453,601	27,681,960	4,750,440	26,355,000	3,970,092	-	30,325,092	2,643,132
2018 Energy Performance	3,500,000	3,500,000	3,508,729	-	3,508,729	(8,729)	3,235,000	264,928	-	3,499,928	(8,801)
2018 Safety & Security Project	5,803,600	5,803,600	558,426	4,989,667	5,548,093	255,507	-	830,000	200,642	1,030,642	(4,517,451)
2020 Equipment Purchases	213,000	213,000	-	204,675	204,675	8,325	-	204,675	-	204,675	-
<b>TOTAL</b>	<b>\$ 64,882,499</b>	<b>\$ 64,882,499</b>	<b>\$ 44,897,622</b>	<b>\$ 14,774,530</b>	<b>\$ 59,672,152</b>	<b>\$ 5,210,347</b>	<b>\$ 48,368,499</b>	<b>\$ 9,424,695</b>	<b>\$ 200,642</b>	<b>\$ 57,993,836</b>	<b>\$ (1,678,316)</b>

**Supplementary Information**  
**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Library Fund		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,036	\$ 227,532	\$ 688,615	\$ -	\$ 933,183
Receivables	2,215,589	50,212	-	-	2,265,801
Inventories	-	91,024	-	-	91,024
Due from other funds	6,989	-	-	3,797,072	3,804,061
<b>TOTAL ASSETS</b>	<b>\$ 2,239,614</b>	<b>\$ 368,768</b>	<b>\$ 688,615</b>	<b>\$ 3,797,072</b>	<b>\$ 7,094,069</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b><u>Liabilities</u> -</b>					
Accounts payable	\$ 15,928	\$ 891	\$ 32,735	\$ -	\$ 49,554
Accrued liabilities	-	-	29,517	-	29,517
Due to other funds	2,223,686	30	-	-	2,223,716
Due to other governments	-	1,026	-	-	1,026
Unearned revenue	-	60,644	-	-	60,644
<b>TOTAL LIABILITIES</b>	<b>\$ 2,239,614</b>	<b>\$ 62,591</b>	<b>\$ 62,252</b>	<b>\$ -</b>	<b>\$ 2,364,457</b>
<b><u>Fund Balances</u> -</b>					
Nonspendable	\$ -	\$ 91,024	\$ -	\$ -	\$ 91,024
Restricted	-	-	-	3,797,072	3,797,072
Assigned	-	215,153	626,363	-	841,516
<b>TOTAL FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 306,177</b>	<b>\$ 626,363</b>	<b>\$ 3,797,072</b>	<b>\$ 4,729,612</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,239,614</b>	<b>\$ 368,768</b>	<b>\$ 688,615</b>	<b>\$ 3,797,072</b>	<b>\$ 7,094,069</b>

**Supplementary Information**  
**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For Year Ended June 30, 2020**

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Library Fund		
<b>REVENUES</b>					
Real property taxes and tax items	\$ -	\$ -	\$ 1,511,357	\$ -	\$ 1,511,357
Charges for services	-	-	16,698	-	16,698
Use of money and property	-	1,540	5,452	-	6,992
Miscellaneous	890	26,146	35,527	-	62,563
State sources	501,990	24,705	-	-	526,695
Federal sources	2,197,734	735,599	-	-	2,933,333
Sales	-	440,226	-	-	440,226
Premium on obligations issued	-	-	-	3,180,162	3,180,162
<b>TOTAL REVENUES</b>	<b>\$ 2,700,614</b>	<b>\$ 1,228,216</b>	<b>\$ 1,569,034</b>	<b>\$ 3,180,162</b>	<b>\$ 8,678,026</b>
<b>EXPENDITURES</b>					
General support	\$ -	\$ -	\$ -	\$ 385,548	\$ 385,548
Instruction	2,689,327	-	-	-	2,689,327
Pupil transportation	85,682	-	-	-	85,682
Community services	-	-	1,260,189	-	1,260,189
Employee benefits	23,297	280,363	264,090	-	567,750
Debt service - principal	-	-	-	3,727,146	3,727,146
Debt service - interest	-	-	-	2,232,625	2,232,625
Cost of sales	-	509,198	-	-	509,198
Other expenses	-	620,606	-	-	620,606
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,798,306</b>	<b>\$ 1,410,167</b>	<b>\$ 1,524,279</b>	<b>\$ 6,345,319</b>	<b>\$ 12,078,071</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (97,692)</b>	<b>\$ (181,951)</b>	<b>\$ 44,755</b>	<b>\$ (3,165,157)</b>	<b>\$ (3,400,045)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - in	\$ 97,692	\$ -	\$ -	\$ 5,959,772	\$ 6,057,464
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 97,692</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,959,772</b>	<b>\$ 6,057,464</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (181,951)</b>	<b>\$ 44,755</b>	<b>\$ 2,794,615</b>	<b>\$ 2,657,419</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>488,128</b>	<b>581,608</b>	<b>1,002,457</b>	<b>2,072,193</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 306,177</b>	<b>\$ 626,363</b>	<b>\$ 3,797,072</b>	<b>\$ 4,729,612</b>

**Supplementary Information**  
**BALDWINVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Net Investment in Capital Assets**  
**For Year Ended June 30, 2020**

<b>Capital assets, net</b>		\$ 128,426,977
<b>Add:</b>		
Unspent bond proceeds	\$ 2,847,936	2,847,936
<b>Deduct:</b>		
Short-term portion of bonds payable	\$ 3,574,923	
Long-term portion of bonds payable	49,750,000	
Assets purchased with short-term financing	4,526,252	
Short-term portion of installment purchase debt	170,000	
Long-term portion of installment purchase debt	2,785,000	
Unamortized bond premium	2,878,410	
		63,684,585
<b>Net Investment in Capital Assets</b>		<b>\$ 67,590,328</b>

**Supplementary Information**  
**BALDWINSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended June 30, 2020**

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>CFDA</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>
<b><u>U.S. Department of Education:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department -</u></b>				
<b><u>Special Education Cluster IDEA -</u></b>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-19-0648	\$ 6,989
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-20-0648	1,383,546
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-20-0648	52,320
<b>Total Special Education Cluster IDEA</b>				<b>\$ 1,442,855</b>
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-20-2130	134,604
Title IVA - Student Support and Academic Enrichments Grants	84.424	N/A	0204-20-2130	39,851
Title I - School Improvement Grants	84.377	N/A	0011-20-3006	31,600
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-19-2130	2,100
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-20-2130	546,724
<b>Total U.S. Department of Education</b>				<b>\$ 2,197,734</b>
<b><u>U.S. Department of Agriculture:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department -</u></b>				
<b><u>Child Nutrition Cluster -</u></b>				
National School Lunch Program	10.555	N/A	006720	\$ 351,480
National School Lunch Program - COVID-19	10.555	N/A	006720	127,939
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	006720	95,982
National School Breakfast Program	10.553	N/A	006720	79,317
National School Breakfast Program - COVID-19	10.553	N/A	006720	80,881
<b>Total Child Nutrition Cluster</b>				<b>\$ 735,599</b>
<b>Total U.S. Department of Agriculture</b>				<b>\$ 735,599</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 2,933,333</b>

**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  
Baldwinsville 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 Baldwinsville Central School District, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Baldwinsville Central School District, New York's basic financial statements, and have issued our report thereon dated October 10, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Baldwinsville 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 Baldwinsville Central School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Baldwinsville 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 Baldwinsville 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  
October 10, 2020

*Mengel, Metzger, Barw & Co. LLP*