

**VICTOR CENTRAL SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended June 30, 2021**



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

# TABLE OF CONTENTS

	<b>Pages</b>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 13
<b>Basic Financial Statements:</b>	
Statement of Net Position	14
Statement of Activities and Changes in Net Position	15
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	18
Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	19
<b>Notes to the Basic Financial Statements:</b>	20 - 47
<b>Required Supplementary Information:</b>	
Schedule of Changes in District's Total OPEB Liability and Related Ratio	48
Schedule of the District's Proportionate Share of the Net Pension Liability	49
Schedule of District Contributions	50
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	51 - 52
<b>Supplementary Information:</b>	
Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit - General Fund	53
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	54
Combining Balance Sheet - Nonmajor Governmental Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	56
Net Investment in Capital Assets	57
Schedule of Expenditures of Federal Awards	58
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	59 - 60

## **INDEPENDENT AUDITORS' REPORT**

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Victor Central School District, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

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

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–12 and 47–52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Victor 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 5, 2021 on our consideration of the Victor 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 Victor Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York  
October 5, 2021

*Mengel, Metzger, Barw & Co. LLP*

**Victor Central School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions, 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 assets plus deferred outflows (what the district owns) exceeded its total liabilities plus deferred inflows (what the district owes) by \$12,998,143 (net position) a decrease of \$3,910,317 from the prior year. The decrease was due to increasing reserves with unused budgetary dollars to fund future obligations.

General revenues which include, Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous revenues accounted for \$78,250,845 or 96% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions, accounted for \$3,341,259 or 4% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$9,639,994, a decrease of \$1,153,848 in comparison with the prior year.

**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 five individual governmental funds; the General Fund, Special Aid Fund, School Lunch 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 debt service fund, and the school lunch 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 less on June 30, 2021, than the year before, decreasing 23% to \$12,998,143 as shown in the table below:

	<b>Governmental Activities</b>		<b>Total Variance</b>
	<b><u>2021</u></b>	<b><u>2020</u></b>	
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 31,068,138	\$ 23,799,959	\$ 7,268,179
Capital Assets	104,141,916	101,560,430	2,581,486
<b>Total Assets</b>	<b><u>\$ 135,210,054</u></b>	<b><u>\$ 125,360,389</u></b>	<b><u>\$ 9,849,665</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b><u>\$ 34,347,642</u></b>	<b><u>\$ 30,656,058</u></b>	<b><u>\$ 3,691,584</u></b>
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 106,153,043	\$ 114,067,954	\$ (7,914,911)
Other Liabilities	21,606,809	8,083,079	13,523,730
<b>Total Liabilities</b>	<b><u>\$ 127,759,852</u></b>	<b><u>\$ 122,151,033</u></b>	<b><u>\$ 5,608,819</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b><u>\$ 28,799,701</u></b>	<b><u>\$ 16,956,954</u></b>	<b><u>\$ 11,842,747</u></b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 60,006,183	\$ 54,869,910	\$ 5,136,273
<b>Restricted For:</b>			
Capital Projects	-	1,176,739	(1,176,739)
Capital Reserve	3,426,234	176,105	3,250,129
Reserve for Tax Certiorari	1,470,564	753,306	717,258
Debt Service Reserve	2,051,127	2,310,579	(259,452)
Reserve for Teacher Retirement System	1,569,397	1,066,198	503,199
Other Purposes	3,827,503	3,138,088	689,415
Unrestricted	(59,352,865)	(46,582,465)	(12,770,400)
<b>Total Net Position</b>	<b><u>\$ 12,998,143</u></b>	<b><u>\$ 16,908,460</u></b>	<b><u>\$ (3,910,317)</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.

The changes in long-term debt obligations and other liabilities was due to the issuance of permanent bonds to replace BAN's for a completed capital project.

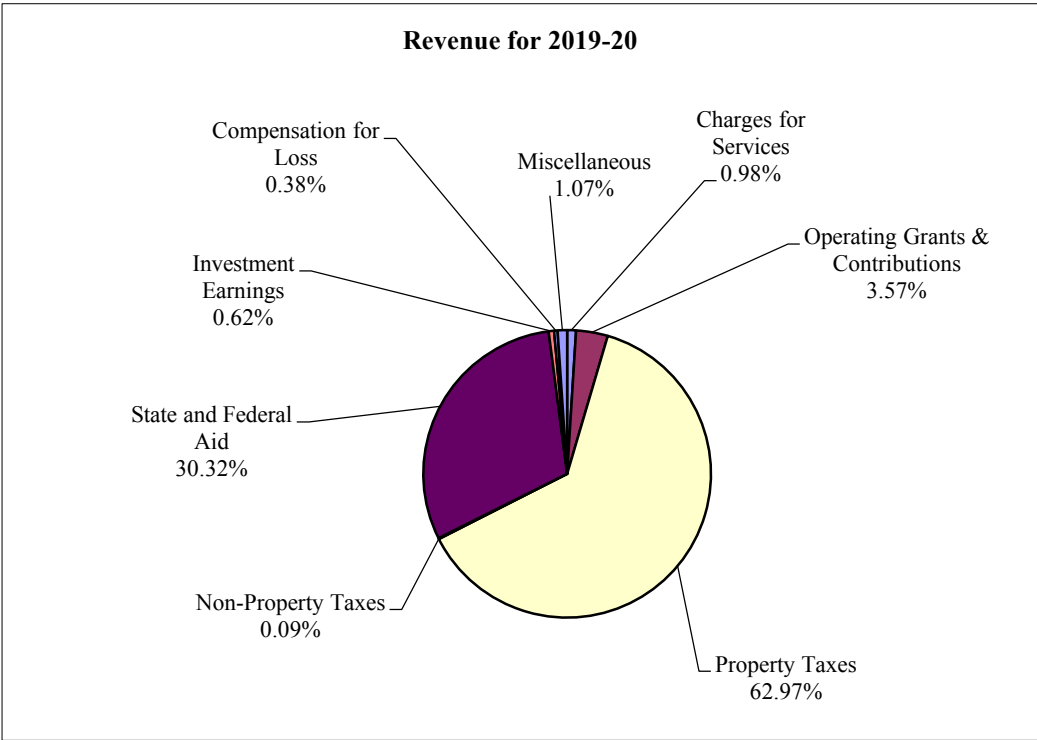
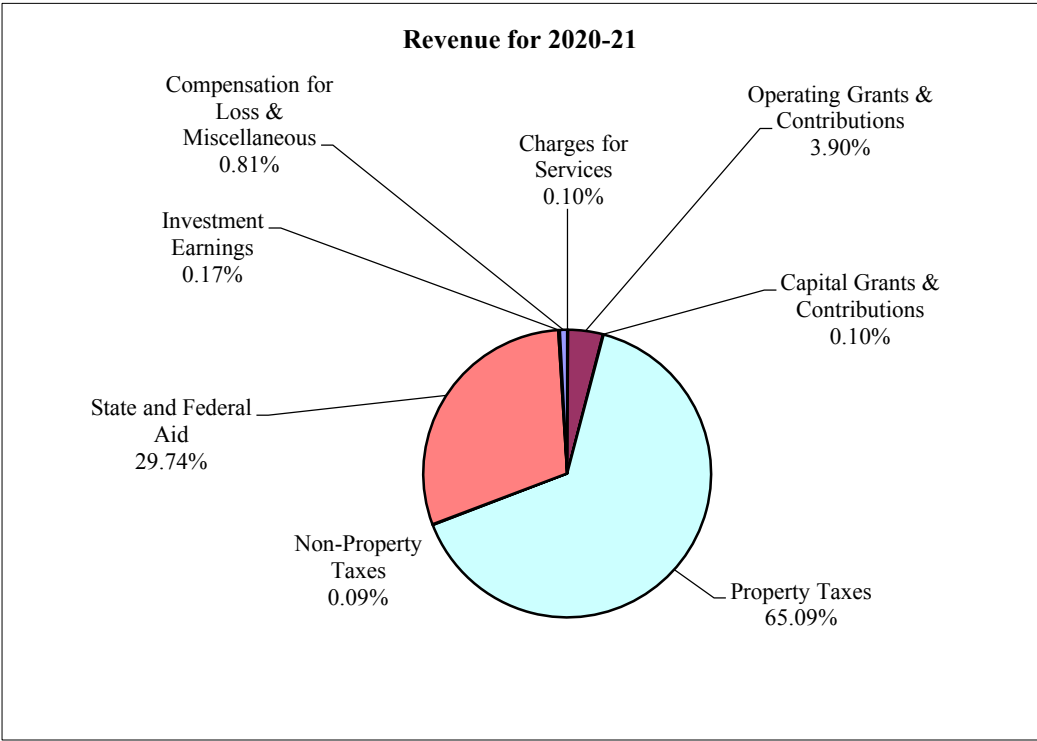
There are five restricted net asset balances; Capital Reserve, Reserve for Tax Certiorari, Debt Service Reserve, Reserve for TRS, and Other Purposes. The remaining balance of unrestricted net position is a deficit balance of \$59,352,865.

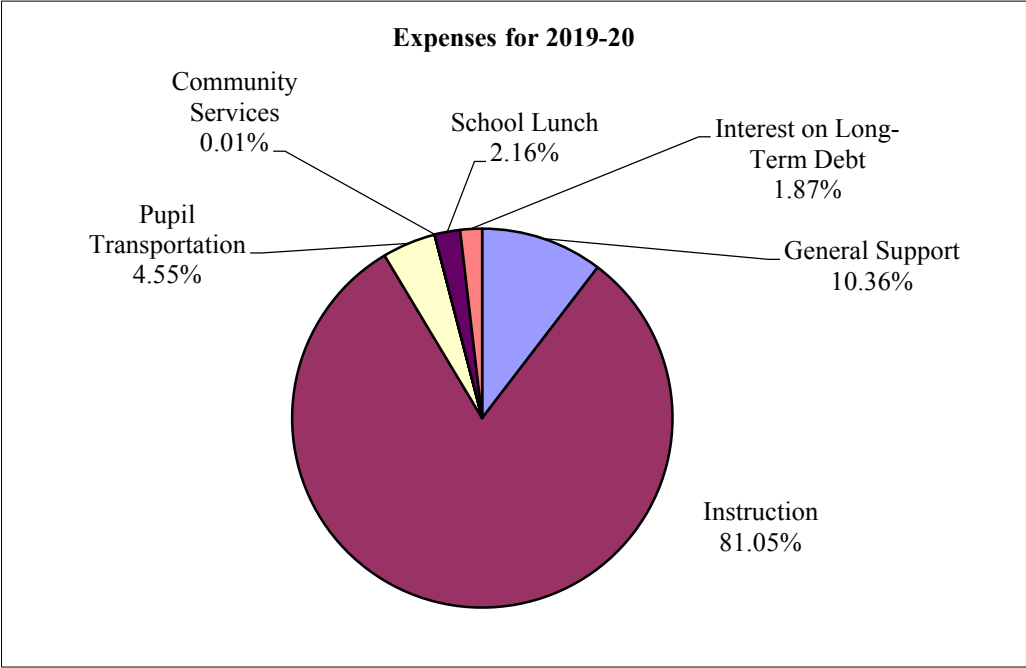
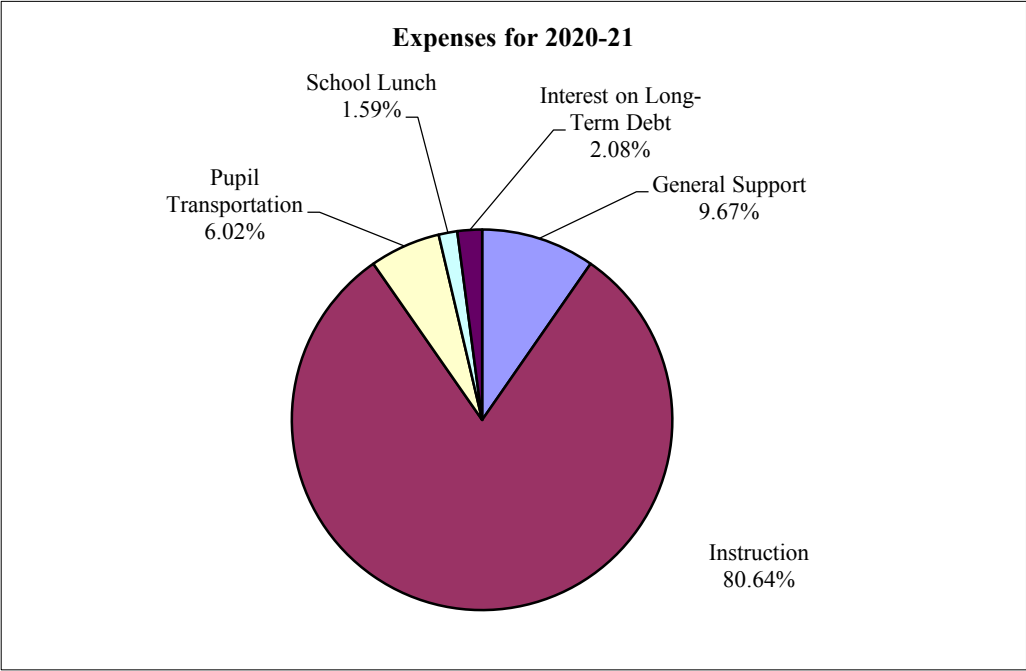
**Changes in Net Position**

The District’s total revenue increased 5% to \$81,592,104. State and federal aid, 30% and property taxes, 65% accounted for most of the District’s revenue. The remaining 5% of the revenue comes from operating 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 5% to \$85,502,421. The District’s expenses are predominately related to education and caring for the students (Instruction), 81%. General support, which included expenses associated with the operation, maintenance, and administration of the District accounted for 10% of the total costs. See table below:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2021</u>	<u>2020</u>	<u>Variance</u>
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 80,330	\$ 761,912	\$ (681,582)
Operating Grants & Contributions	3,182,450	2,766,126	416,324
Capital Grants & Contributions	78,479	-	78,479
<b>Total Program</b>	<b>\$ 3,341,259</b>	<b>\$ 3,528,038</b>	<b>\$ (186,779)</b>
<b><u>General -</u></b>			
Property Taxes	\$ 53,104,372	\$ 48,786,750	\$ 4,317,622
Non Property Taxes	73,000	73,000	-
State and Federal Aid	24,264,658	23,492,058	772,600
Investment Earnings	142,556	481,401	(338,845)
Compensation for Loss	686	292,051	(291,365)
Miscellaneous	665,573	821,928	(156,355)
<b>Total General</b>	<b>\$ 78,250,845</b>	<b>\$ 73,947,188</b>	<b>\$ 4,303,657</b>
<b>TOTAL REVENUES</b>	<b>\$ 81,592,104</b>	<b>\$ 77,475,226</b>	<b>\$ 4,116,878</b>
<b><u>SPECIAL ITEM:</u></b>			
Advance Refunding	\$ -	\$ (258,529)	\$ (258,529)
<b><u>EXPENSES:</u></b>			
General Support	\$ 8,268,831	\$ 8,408,249	\$ (139,418)
Instruction	68,951,751	65,745,435	3,206,316
Pupil Transportation	5,143,368	3,694,453	1,448,915
Community Services	-	7,420	(7,420)
School Lunch	1,358,084	1,751,121	(393,037)
Interest	1,780,387	1,518,276	262,111
<b>TOTAL EXPENSES</b>	<b>\$ 85,502,421</b>	<b>\$ 81,124,954</b>	<b>\$ 4,377,467</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (3,910,317)</b>	<b>\$ (3,908,257)</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>\$ 16,908,460</b>	<b>\$ 20,816,717</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ 12,998,143</b>	<b>\$ 16,908,460</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 \$9,639,994 which is less than last year's ending fund balance of \$10,793,842.

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 \$14,649,340. Fund balance for the General Fund increased by \$5,508,025 compared with the prior year. See table below:

<b><u>General Fund Balances:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>Total Variance</u></b>
Restricted	\$ 10,293,698	\$ 5,133,697	\$ 5,160,001
Assigned	1,028,248	877,343	150,905
Unassigned	3,327,394	3,130,275	197,119
<b>Total General Fund Balances</b>	<b><u>\$ 14,649,340</u></b>	<b><u>\$ 9,141,315</u></b>	<b><u>\$ 5,508,025</u></b>

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$348,343. This change is attributable to \$348,343 of carryover encumbrances.

<b>Expenditure Items:</b>	<b>Budget Variance Original Vs. Amended</b>	<b>Explanation for Budget Variance</b>
Instructional Media	\$550,423	Additional technology purchase through BOCES
Employee Benefits	(\$642,309)	Lower than anticipated increases in health insurance premiums

<b>Revenue Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
State Sources	\$1,549,312	Additional BOCES aid due to recognition of September accrual
<b>Expenditure Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
Teaching-Regular School	\$777,215	Conservative budgeting and reduced workforce due to COVID
Programs for Children with Handicapping Conditions	\$1,198,975	Conservative budgeting and reduced workforce due to COVID
Employee Benefits	\$1,217,987	Lower than anticipation increases in health insurance premium and conservative budgeting.

## Capital Asset and Debt Administration

### Capital Assets

By the end of the 2021 fiscal year, the District had invested \$104,141,916 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>2021</u>	<u>2020</u>
Land	\$ 767,156	\$ 767,156
Work in Progress	7,292,616	1,323,256
Buildings and Improvements	92,012,943	94,985,681
Machinery and Equipment	4,069,201	4,484,337
<b>Total Capital Assets</b>	<b><u>\$ 104,141,916</u></b>	<b><u>\$ 101,560,430</u></b>

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

### Long-Term Debt

At year end, the District had \$106,153,043 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2021</u>	<u>2020</u>
Serial Bonds	\$ 31,180,000	\$ 35,250,000
Unamortized Bond Premium	2,672,627	2,863,529
Energy Performance Contract	3,448,836	3,647,681
OPEB	58,408,270	64,095,506
Net Pension Liability	4,697,077	6,200,188
Compensated Absences/Retirement Incentive	5,746,233	2,011,050
<b>Total Long-Term Obligations</b>	<b><u>\$ 106,153,043</u></b>	<b><u>\$ 114,067,954</u></b>

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

### **Factors Bearing on the District's Future**

- Increased development within School District boundaries.
- Uncertainty of the economy and long-term sustainability of funding from New York State.
- Fiscal uncertainty remains for Victor Central and other districts statewide in regard to the volatility of state and federal politics and funding, the ever-changing COVID landscape and its impact on school operations and skyrocketing health care cost trends. While the two to three year influx of CRRSA and ARP federal stimulus funds is expected to benefit the district's efforts to remediate student learning loss and restore programming and typical school experiences for our youth, the macro-economic picture moving forward poses significant challenges. The impact of anticipated inflation and economic contraction on the local and regional economy continues to be of concern, as does the possibility that we will continue to see a gradual decline in student enrollment as families respond to COVID-restrictions placed upon schools and the status of state politics and economics. The District is closely monitoring these dynamics and is developing a multi-year fiscal and strategic plan taking these concerns into consideration to maximize its long-term fiscal health.

### **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:

Victor Central School District  
953 High Street  
Victor, New York 14564

**VICTOR CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Net Position**

**June 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 27,509,886
Accounts receivable	3,506,896
Inventories	51,356
<b>Capital Assets:</b>	
Land	767,156
Work in progress	7,292,616
Other capital assets (net of depreciation)	96,082,144
<b>TOTAL ASSETS</b>	<b><u>\$ 135,210,054</u></b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b><u>\$ 34,347,642</u></b>
 <b>LIABILITIES</b>	
Accounts payable	\$ 1,112,169
Accrued liabilities	646,174
Unearned revenues	336,616
Due to other governments	241,997
Due to teachers' retirement system	3,008,768
Due to employees' retirement system	310,036
Bond anticipation notes payable	15,560,334
Other Liabilities	390,715
<b>Long-Term Obligations:</b>	
Due in one year	4,876,865
Due in more than one year	101,276,178
<b>TOTAL LIABILITIES</b>	<b><u>\$ 127,759,852</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b><u>\$ 28,799,701</u></b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 60,006,183
<b>Restricted For:</b>	
Debt service	2,051,127
Reserve for teacher retirement system	1,569,397
Reserve for tax certiorari	1,470,564
Capital reserves	3,426,234
Other purposes	3,827,503
Unrestricted	(59,352,865)
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 12,998,143</u></u></b>

(See accompanying notes to financial statements)



**VICTOR CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Activities**

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary Government -</b>					
General support	\$ 8,268,831	\$ -	\$ -	\$ -	\$ (8,268,831)
Instruction	68,951,751	38,840	2,166,390	78,479	(66,668,042)
Pupil transportation	5,143,368	-	-	-	(5,143,368)
School lunch	1,358,084	41,490	1,016,060	-	(300,534)
Interest	1,780,387	-	-	-	(1,780,387)
<b>Total Primary Government</b>	<b><u>\$ 85,502,421</u></b>	<b><u>\$ 80,330</u></b>	<b><u>\$ 3,182,450</u></b>	<b><u>\$ 78,479</u></b>	<b><u>\$ (82,161,162)</u></b>
 <b>General Revenues:</b>					
Property taxes					\$ 53,104,372
Non property taxes					73,000
State and federal aid					24,264,658
Investment earnings					142,556
Compensation for loss					686
Miscellaneous					665,573
<b>Total General Revenues</b>					<b><u>\$ 78,250,845</u></b>
Changes in Net Position					\$ (3,910,317)
<b>Net Position, Beginning of Year</b>					<u>16,908,460</u>
<b>Net Position, End of Year</b>					<b><u>\$ 12,998,143</u></b>

**VICTOR CENTRAL SCHOOL DISTRICT, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**June 30, 2021**

	<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	\$ 16,923,378	\$ 8,400,030	\$ 2,186,478	\$ 27,509,886
Receivables	2,451,068	-	1,055,828	3,506,896
Inventories	-	-	51,356	51,356
Due from other funds	826,621	-	-	826,621
<b>TOTAL ASSETS</b>	<b><u>\$ 20,201,067</u></b>	<b><u>\$ 8,400,030</u></b>	<b><u>\$ 3,293,662</u></b>	<b><u>\$ 31,894,759</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities -</b>				
Accounts payable	\$ 1,109,314	\$ -	\$ 2,855	\$ 1,112,169
Accrued liabilities	454,944	-	12,565	467,509
Notes payable - bond anticipation notes	-	15,560,334	-	15,560,334
Due to other funds	-	-	826,621	826,621
Due to other governments	241,515	-	482	241,997
Due to TRS	3,008,768	-	-	3,008,768
Due to ERS	286,080	-	23,956	310,036
Other liabilities	390,715	-	-	390,715
Unearned revenue	60,391	192,648	83,577	336,616
<b>TOTAL LIABILITIES</b>	<b><u>\$ 5,551,727</u></b>	<b><u>\$ 15,752,982</u></b>	<b><u>\$ 950,056</u></b>	<b><u>\$ 22,254,765</u></b>
 <b>Fund Balances -</b>				
Nonspendable	\$ -	\$ -	\$ 51,356	\$ 51,356
Restricted	10,293,698	-	2,051,127	12,344,825
Assigned	1,028,248	-	241,123	1,269,371
Unassigned	3,327,394	(7,352,952)	-	(4,025,558)
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 14,649,340</u></b>	<b><u>\$ (7,352,952)</u></b>	<b><u>\$ 2,343,606</u></b>	<b><u>\$ 9,639,994</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 20,201,067</u></b>	<b><u>\$ 8,400,030</u></b>	<b><u>\$ 3,293,662</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.	104,141,916
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(178,665)
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	(31,180,000)
OPEB	(58,408,270)
Compensated absences	(5,746,233)
Unamortized bond premiums	(2,672,627)
Energy performance contract	(3,448,836)
Deferred outflow - pension	20,982,932
Deferred outflow - OPEB	13,364,710
Net pension liability	(4,697,077)
Deferred inflow - advanced refunding	(2,153,945)
Deferred inflow - pension	(9,610,269)
Deferred inflow - OPEB	(17,035,487)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 12,998,143</u></b>

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

	<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	\$ 53,104,372	\$ -	\$ -	\$ 53,104,372
Non-property taxes	73,000	-	-	73,000
Charges for services	38,840	-	-	38,840
Use of money and property	101,858	-	40,698	142,556
Sale of property and compensation for loss	686	-	-	686
Miscellaneous	421,997	-	4,249	426,246
State sources	24,640,245	78,479	787,080	25,505,804
Federal sources	435,283	-	2,395,370	2,830,653
Sales	-	-	41,490	41,490
<b>TOTAL REVENUES</b>	<b><u>\$ 78,816,281</u></b>	<b><u>\$ 78,479</u></b>	<b><u>\$ 3,268,887</u></b>	<b><u>\$ 82,163,647</u></b>
<b>EXPENDITURES</b>				
General support	\$ 6,564,303	\$ -	\$ 18,166	\$ 6,582,469
Instruction	39,706,654	-	1,921,462	41,628,116
Pupil transportation	2,700,485	1,151,589	-	3,852,074
Employee benefits	17,459,679	-	564,350	18,024,029
Debt service - principal	5,104,368	-	-	5,104,368
Debt service - interest	2,007,180	-	-	2,007,180
Cost of sales	-	-	432,442	432,442
Other expenses	-	-	474,501	474,501
Capital outlay	-	6,047,839	-	6,047,839
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 73,542,669</u></b>	<b><u>\$ 7,199,428</u></b>	<b><u>\$ 3,410,921</u></b>	<b><u>\$ 84,153,018</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>\$ 5,273,612</u></b>	<b><u>\$ (7,120,949)</u></b>	<b><u>\$ (142,034)</u></b>	<b><u>\$ (1,989,371)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - in	\$ 300,000	\$ -	\$ 65,587	\$ 365,587
Transfers - out	(65,587)	-	(300,000)	(365,587)
BAN's redeemed from appropriations	-	835,523	-	835,523
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>\$ 234,413</u></b>	<b><u>\$ 835,523</u></b>	<b><u>\$ (234,413)</u></b>	<b><u>\$ 835,523</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ 5,508,025</u></b>	<b><u>\$ (6,285,426)</u></b>	<b><u>\$ (376,447)</u></b>	<b><u>\$ (1,153,848)</u></b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b><u>9,141,315</u></b>	<b><u>(1,067,526)</u></b>	<b><u>2,720,053</u></b>	<b><u>10,793,842</u></b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 14,649,340</u></b>	<b><u>\$ (7,352,952)</u></b>	<b><u>\$ 2,343,606</u></b>	<b><u>\$ 9,639,994</u></b>

(See accompanying notes to financial statements)

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

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (1,153,848)

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	\$ 6,047,839	
Additions to Assets, Net	536,847	
Depreciation	<u>(4,003,200)</u>	
		2,581,486

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	\$ 5,104,368	
Proceeds from BAN Redemption	(835,523)	
Unamortized Bond Premium	<u>190,902</u>	
		4,459,747

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 35,891

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (810,870)

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. (2,540,468)

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

Teachers' Retirement System		(3,366,218)
Employees' Retirement System		379,819

Portion of deferred (inflow) / outflow recognized in long term debt 239,327

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>(3,735,183)</u>
----------------------	--	--------------------

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (3,910,317)**

(See accompanying notes to financial statements)

**VICTOR CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Fiduciary Net Position**

**June 30, 2021**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 124,791
<b>TOTAL ASSETS</b>	<b>\$ 124,791</b>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	\$ 124,791
<b>TOTAL NET POSITION</b>	<b>\$ 124,791</b>

**Statement of Changes in Fiduciary Net Position**

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

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Miscellaneous	\$ 100,273
<b>TOTAL ADDITIONS</b>	<b>\$ 100,273</b>
<b>DEDUCTIONS</b>	
Student activity	\$ 107,395
<b>TOTAL DEDUCTIONS</b>	<b>\$ 107,395</b>
<b>CHANGE IN NET POSITION</b>	\$ (7,122)
<b>NET POSITION, BEGINNING OF YEAR (restated)</b>	131,913
<b>NET POSITION, END OF YEAR</b>	<b>\$ 124,791</b>

# VICTOR CENTRAL SCHOOL DISTRICT, NEW YORK

## Notes To The Basic Financial Statements

June 30, 2021

### I. Summary of Significant Accounting Policies

The financial statements of the Victor 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 Victor 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 seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the 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 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

#### 1. Extraclassroom Activity Funds

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

**( I. ) (Continued)**

**B. Joint Venture**

The District is a component of the Ontario, Seneca, Yates, Cayuga, and Wayne 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 \$6,533,884 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$2,933,835.

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:

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

**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.

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

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

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

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.



**( I. ) (Continued)**

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

**E. Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 13, 2020. Taxes are collected during the period September 1, 2020 to October 31, 2020.

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

**F. Restricted Resources**

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

**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.

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.

**( I. ) (Continued)**

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

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

**H. Estimates**

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

**I. Cash and Cash Equivalents**

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

**J. Receivables**

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

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**K. Inventory and Prepaid Items**

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

**( 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.

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.

( I. ) (Continued)

**O. Vested Employee Benefits**

**1. Compensated Absences**

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

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

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.

**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.

( I. ) (Continued)

**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	\$ 497,815
Unemployment Costs	359,864
Retirement Contribution - ERS	1,071,376
Tax Certiorari Liability	-
Employee Benefit Accrued Liability	788,434
	<u>1,110,014</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u>\$ 3,827,503</u></b>

- 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 \$59,352,865 at year end is the result of full implementation of GASB #75 regarding retiree health obligations and the NYS Pension System unfunded pension obligation.

( I. ) (Continued)

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 inventory in the School Lunch Fund of \$51,356.

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, it's 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><u>Name of Reserve</u></b>	<b><u>Maximum Funding</u></b>	<b><u>Total Funding Provided</u></b>	<b><u>Total Year to Date Balance</u></b>
2011 Capital Reserve	\$ 6,000,000	\$ 3,824,747	\$ 176,234
2021 Technology Reserve	\$ 750,000	\$ 250,000	\$ 250,000
2021 Capital Reserve	\$ 10,000,000	\$ 3,000,000	\$ 3,000,000

**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.

**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.

( I. ) (Continued)

**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.

**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.

**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 the 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:

	<u><b>Total</b></u>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 497,815
Unemployment Costs	359,864
Retirement Contribution - ERS	1,071,376
Retirement Contribution - TRS	1,569,397
Tax Certiorari Liability	1,470,564
Capital Reserves	788,434
Employee Benefit Accrued Liability	3,426,234
	1,110,014
<b><u>Debt Service Fund -</u></b>	
Debt Service	2,051,127
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 12,344,825</u></u></b>

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

c. **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 \$99,000, Capital Projects Fund to be \$14,000, and Special Aid Fund to be \$6,000.

<b><u>General Fund -</u></b>	
Central Services	\$ 225,948
Handicapped Services	122,620
<b>Total General Fund Significant Encumbrances</b>	<b><u><u>\$ 348,568</u></u></b>
<b><u>Capital Projects Fund -</u></b>	
Clerk of the Works	\$ 937,003
Contractual Expense	54,377
Architect Commission and Expenses	362,802
Other Capital Project Expenses	8,776,184
<b>Capital Improvements</b>	<b><u><u>\$ 10,130,366</u></u></b>
<b><u>Special Aid Fund -</u></b>	
Research Planning and Evaluation	\$ 8,192
<b>Total Special Aid Fund Significant Encumbrances</b>	<b><u><u>\$ 8,192</u></u></b>

Assigned fund balances include the following:

	<b><u>Total</u></b>
General Fund - Encumbrances	\$ 499,248
General Fund - Appropriated for Taxes	529,000
School Lunch Fund - Year End Equity	241,123
<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 1,269,371</u></u></b>

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

3. **Order of Use of Fund Balance**

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

( 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, 2021, the District implemented the following new standards issued by GASB:

GASB has issued Statement 84, *Fiduciary Activities*.

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

**U. Future Changes in Accounting Standards**

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

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

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

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

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

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

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

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

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

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

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

**II. Restatement of Net Position**

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

	<b>Fiduciary Funds</b>
Net position beginning of year, as previously stated	\$ -
Adjustments for activities previously recorded in Agency Fund:	
Student Activity Fund	131,913
Net position beginning of year, as restated	<u>\$ 131,913</u>

**III. Changes in Accounting Principles**

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

**IV. Stewardship, Compliance and Accountability**

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

**A. Budgets**

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2020-21 fiscal year, the budget was amended by \$348,343 for carryover encumbrances.

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.

( I. ) (Continued)

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. Deficit Fund Balance – Capital Projects Fund**

The Capital Projects Fund had a deficit undesignated fund balance of \$7,352,952 at June 30, 2021, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

**V. Cash and Cash Equivalents**

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

**Concentration of Credit Risk** – To promote competition in rates and service costs, 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 (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		5,065,459
<b>Total</b>	<b>\$</b>	<b><u>5,065,459</u></b>

( V. ) (Continued)

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 \$12,343,479 within the governmental funds and \$124,791 in the Fiduciary Fund.

**VI. Receivables**

Receivables at June 30, 2021 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>Special Aid Fund</u>	<u>School Lunch Fund</u>	
Accounts Receivable	\$ 149,957	\$ -	\$ -	\$ 149,957
Due From State and Federal	1,089,195	802,635	253,193	2,145,023
Due From Other Governments	1,211,916 *	-	-	1,211,916
<b>Total Receivables</b>	<b>\$ 2,451,068</b>	<b>\$ 802,635</b>	<b>\$ 253,193</b>	<b>\$ 3,506,896</b>

District management has deemed the amounts to be fully collectible.

\* The District changed their revenue recognition period to 1 year for all revenues except property taxes which is 60 days.

**VII. Interfund Receivables, Payables, Revenues and Expenditures**

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

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 826,621	\$ -	\$ 300,000	\$ 65,587
Non Major Funds	-	826,621	65,587	300,000
<b>Total</b>	<b>\$ 826,621</b>	<b>\$ 826,621</b>	<b>\$ 365,587</b>	<b>\$ 365,587</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.

### VIII. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2021</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 767,156	\$ -	\$ -	\$ 767,156
Work in progress	1,323,256	5,969,360	-	7,292,616
<i>Total Nondepreciable</i>	<u>\$ 2,090,412</u>	<u>\$ 5,969,360</u>	<u>\$ -</u>	<u>\$ 8,059,772</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 143,234,881	\$ -	\$ -	\$ 143,234,881
Machinery and equipment	14,036,959	615,326	-	14,652,285
<i>Total Depreciated Assets</i>	<u>\$ 157,271,840</u>	<u>\$ 615,326</u>	<u>\$ -</u>	<u>\$ 157,887,166</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 48,249,200	\$ 2,972,738	\$ -	\$ 51,221,938
Machinery and equipment	9,552,622	1,030,462	-	10,583,084
<i>Total Accumulated Depreciation</i>	<u>\$ 57,801,822</u>	<u>\$ 4,003,200</u>	<u>\$ -</u>	<u>\$ 61,805,022</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 99,470,018</u>	<u>\$ (3,387,874)</u>	<u>\$ -</u>	<u>\$ 96,082,144</u>
<b>Total Capital Assets</b>	<b><u>\$ 101,560,430</u></b>	<b><u>\$ 2,581,486</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 104,141,916</u></b>

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

<b><u>Governmental Activities:</u></b>	
General Government Support	\$ 61,819
Instruction	2,874,583
Pupil Transportation	912,250
School Lunch	154,548
<b>Total Depreciation Expense</b>	<b><u>\$ 4,003,200</u></b>

### IX. Short-Term Debt

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

	<u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2021</u>
BAN-Bus	9/18/2020	2.00%	2,536,196	\$ -	\$ 2,536,196	\$ -
BAN	7/30/2021	1.75%	-	13,000,000	-	13,000,000
BAN	9/17/2025	1.75%	-	2,560,334	-	2,560,334
<b>Total Short-Term Debt</b>			<b><u>\$ 2,536,196</u></b>	<b><u>\$ 15,560,334</u></b>	<b><u>\$ 2,536,196</u></b>	<b><u>\$ 15,560,334</u></b>

( IX. ) (Continued)

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

Interest Paid	\$ 34,070
Less: Interest Accrued in the Prior Year	(39,483)
<b>Total Short-Term Interest Expense</b>	<b>\$ (5,413)</b>

**X. Long-Term Debt Obligations**

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

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2021</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable -</b>					
Serial Bonds	\$ 35,250,000	\$ -	\$ 4,070,000	\$ 31,180,000	\$ 4,470,000
Unamortized Bond Premium	2,863,529	-	190,902	2,672,627	190,901
Energy Performance Contracts	3,647,681	-	198,845	3,448,836	215,964
<b>Total Bonds and Notes Payable</b>	<b>\$ 41,761,210</b>	<b>\$ -</b>	<b>\$ 4,459,747</b>	<b>\$ 37,301,463</b>	<b>\$ 4,876,865</b>
<b>Other Liabilities -</b>					
Net Pension Liability	\$ 6,200,188	\$ -	\$ 1,503,111	\$ 4,697,077	\$ -
OPEB	64,095,506	-	5,687,236	58,408,270	-
Compensated Absences/ Retirement Incentive	2,011,050	3,735,183	-	5,746,233	-
<b>Total Other Liabilities</b>	<b>\$ 72,306,744</b>	<b>\$ 3,735,183</b>	<b>\$ 7,190,347</b>	<b>\$ 68,851,580</b>	<b>\$ -</b>
<b>Total Long-Term Obligations</b>	<b>\$ 114,067,954</b>	<b>\$ 3,735,183</b>	<b>\$ 11,650,094</b>	<b>\$ 106,153,043</b>	<b>\$ 4,876,865</b>

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

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u> <u>6/30/2021</u>
<b>Serial Bonds</b>					
Refunding	\$ 18,605,000	2013	2027	2.0%-5.0%	\$ 4,830,000
Refunding	\$ 4,030,000	2016	2024	1.0%-2.0%	2,025,000
Construction	\$ 14,815,000	2016	2029	2.0%-5.0%	10,615,000
DASNY	\$ 14,250,000	2020	2034	5.00%	13,710,000
<b>Total Serial Bonds</b>					<b>\$ 31,180,000</b>
<b>Energy Performance Contract</b>					
Energy Performance Contract					\$ 3,448,836
<b>Total Energy Performance Contract</b>					<b>\$ 3,448,836</b>

( X. ) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Energy Performance Contract</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 4,470,000	\$ 1,463,700	\$ 215,964	\$ 115,777
2023	3,270,000	1,260,150	223,213	108,527
2024	3,410,000	1,122,650	230,707	101,034
2025	2,860,000	978,700	238,452	93,289
2026	2,990,000	841,950	246,456	85,285
2027-31	10,205,000	2,266,400	1,362,082	296,623
2032-34	3,975,000	404,000	931,962	63,261
<b>Total</b>	<b>\$ 31,180,000</b>	<b>\$ 8,337,550</b>	<b>\$ 3,448,836</b>	<b>\$ 863,796</b>

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. The balance of the defeased debt totaled \$7,085,000.

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

Interest Paid	\$ 1,973,110
Less: Interest Accrued in the Prior Year	(175,073)
Plus: Interest Accrued in the Current Year	178,665
Less: unamortized bond interest	(190,902)
<b>Total Long-Term Interest Expense</b>	<b>\$ 1,785,800</b>

**XI. Deferred Outflows/Inflows of Resources**

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 20,982,932	\$ 9,610,269
Bonds	-	2,153,945
OPEB	13,364,710	17,035,487
<b>Total</b>	<b>\$ 34,347,642</b>	<b>\$ 28,799,701</b>



## **XII. Pension Plans**

### **A. General Information**

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

### **B. Provisions and Administration**

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at [www.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.

( XII. ) (Continued)

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

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2021	\$ 1,039,854	\$ 3,008,768

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension assets/(liability)	\$ (23,349)	\$ (4,673,728)
District's portion of the Plan's total net pension asset/(liability)	0.0234485%	0.1691380%

For the year ended June 30, 2021, the District recognized pension expenses of \$636,516 for ERS and \$6,192,494 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 285,150	\$ 4,095,121	\$ -	\$ 239,520
Changes of assumptions	4,293,055	5,911,178	80,968	2,107,026
Net difference between projected and actual earnings on pension plan investments	-	3,052,354	6,707,094	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	236,665	-	9,154	466,507
Subtotal	\$ 4,814,870	\$ 13,058,653	\$ 6,797,216	\$ 2,813,053
District's contributions subsequent to the measurement date	310,037	2,799,372	-	-
<b>Grand Total</b>	<b>\$ 5,124,907</b>	<b>\$ 15,858,025</b>	<b>\$ 6,797,216</b>	<b>\$ 2,813,053</b>

( XII. ) (Continued)

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2021	\$ -	\$ 1,720,686
2022	(315,080)	3,575,337
2023	(77,282)	2,927,217
2024	(313,802)	1,801,913
2025	(1,276,182)	30,151
Thereafter	-	190,296
<b>Total</b>	<b>\$ (1,982,346)</b>	<b>\$ 10,245,600</b>

**D. Actuarial Assumptions**

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	4.72%-1.90%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%
COLA's	1.40%	1.30%

For ERS, annuitant mortality rates are based on April 1, 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, 2021 are summarized as follows:

( XII. ) (Continued)

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

The real rate of return is net of the long-term inflation assumption of 2% 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.

**E. Discount Rate**

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

( XII. ) (Continued)

**F. Sensitivity of the Net Pension Liability to the Discount Rate Assumption**

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

	<b>1% Decrease <u>(4.90%)</u></b>	<b>Current Assumption <u>(5.90%)</u></b>	<b>1% Increase <u>(6.90%)</u></b>
<b><u>ERS</u></b>			
Employer's proportionate share of the net pension asset (liability)	\$ (6,480,669)	\$ (23,349)	\$ 5,931,812
	<b>1% Decrease <u>(6.10%)</u></b>	<b>Current Assumption <u>(7.10%)</u></b>	<b>1% Increase <u>(8.10%)</u></b>
<b><u>TRS</u></b>			
Employer's proportionate share of the net pension asset (liability)	\$ (29,522,329)	\$ (4,673,728)	\$ 16,180,545

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

**H. 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, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$310,036.

( XII. ) (Continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$3,008,768.

**XIII. Postemployment Benefits**

**A. General Information About the OPEB Plan**

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	302
Active Employees	<u>540</u>
<b>Total</b>	<b><u><u>842</u></u></b>

**B. Total OPEB Liability**

The District's total OPEB liability of \$58,408,270 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

( XIII. ) (Continued)

Inflation	2.16 percent
Salary Increases	2.60 percent, average, including inflation
Discount Rate	2.16 percent
Healthcare Cost Trend Rates	Initial rate of 5.30% decreasing to an ultimate rate of 4.10% over 55 years
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on the July 1, 2020 S&P Municipal Bond 20 year High Grade Rate Index.

Mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2016.

**C. Changes in the Total OPEB Liability**

Balance at June 30, 2020	<u>\$ 64,095,506</u>
<u>Changes for the Year -</u>	
Service cost	\$ 3,228,530
Interest	1,469,566
Effect of demographic gains or losses	(10,869,534)
Changes in assumptions or other inputs	2,149,048
Benefit payments	<u>(1,664,846)</u>
Net Changes	<u>\$ (5,687,236)</u>
<b>Balance at June 30, 2021</b>	<b><u>\$ 58,408,270</u></b>

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount</b>	<b>1% Increase</b>
	<b><u>(1.16%)</u></b>	<b><u>Rate</u></b>	<b><u>(3.16%)</u></b>
		<b><u>(2.16%)</u></b>	
Total OPEB Liability	\$ 66,475,811	\$ 58,408,270	\$ 51,481,001

*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 (4.3 percent decreasing to 3.1 percent) or 1-percentage-point higher (6.3 percent decreasing to 5.1 percent) than the current healthcare cost trend rate:

( XIII. ) (Continued)

	<b>1% Decrease (4.30% Decreasing to 3.10%)</b>	<b>Healthcare Cost Trend Rates (5.30% Decreasing to 4.10%)</b>	<b>1% Increase (6.30% Decreasing to 5.10%)</b>
Total OPEB Liability	\$ 49,177,706	\$ 58,408,270	\$ 70,091,745

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$4,205,313. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,174,906	\$ 9,688,063
Changes of assumptions	9,189,804	7,347,424
<b>Total</b>	<b>\$ 13,364,710</b>	<b>\$ 17,035,487</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>Year</b>	
2022	\$ (492,783)
2023	(492,783)
2024	(492,783)
2025	(492,783)
2026	(492,783)
Thereafter	(1,206,862)
<b>Total</b>	<b>\$ (3,670,777)</b>

**XIV. Risk Management**

**A. General Information**

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



( XIV. ) (Continued)

**B. Workers' Compensation**

The District incurs costs related to the Wayne-Finger Lakes Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, of Ontario, Seneca, Yates, Cayuga and Wayne Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Ontario, Seneca, Yates, Cayuga and Wayne Counties BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of Wayne Finger Lakes BOCES and twenty-two districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid.

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 periods in which they are made. During the year ended June 30, 2021, the Victor Central School District incurred premiums or contribution expenditures totaling \$272,951.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2021 revealed that the Plan is fully funded.

**C. 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. There were no claim and judgment expenditures of this program for the 2020-21 fiscal year. The balance of the fund at June 30, 2021 was \$424,864 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2021, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

## **XV. Commitments and Contingencies**

### **A. Litigation**

A complaint has been filed against the District for which the financial outcome, if any, cannot be determined.

### **B. Grants**

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

## **XVI. Tax Abatement**

The County of Ontario 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 \$23,409,942. The District received payment in lieu of tax (PILOT) payment totaling \$2,835,045 to help offset the property tax reduction. The District total net tax abated was \$1,332,542.

## **XVII. COVID-19**

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

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

The District reported \$350,102 in CARES revenues and expenditures during the 2021 fiscal year and has submitted the CRRSA and ARPA funding applications to the New York State Education Department for approval. All three stimulus funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. The District also provided free breakfast and lunches to all students (except those who opted out) through the Federal Seamless Summer Option program and the National School Breakfast and Lunch Program.

## **XVIII. Subsequent Event**

On July 29, 2021 the District issued a bond anticipation note in the amount of \$26,787,427 at an interest rate of 1.50% which matures on July 29, 2022. The District also issued a bond anticipation note on September 16, 2021 in the amount of \$1,676,552 at an interest rate of 1.00% which matures on September 16, 2022.

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

<b>TOTAL OPEB LIABILITY</b>				
	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Service cost	\$ 3,228,530	\$ 2,502,775	\$ 2,913,364	\$ 2,731,796
Interest	1,469,566	1,888,114	1,575,605	1,477,166
Changes in benefit terms	-	-	3,274,391	-
Effect of demographic gains or losses	(10,869,534)	-	-	-
Differences between expected and actual experiences	-	-	5,380,598	296,954
Changes of assumptions or other inputs	2,149,048	8,946,612	(9,971,503)	-
Benefit payments	<u>(1,664,846)</u>	<u>(1,358,958)</u>	<u>(1,314,811)</u>	<u>(1,496,311)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ (5,687,236)</b>	<b>\$ 11,978,543</b>	<b>\$ 1,857,644</b>	<b>\$ 3,009,605</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 64,095,506</b>	<b>\$ 52,116,963</b>	<b>\$ 50,259,319</b>	<b>\$ 47,249,714</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 58,408,270</b>	<b>\$ 64,095,506</b>	<b>\$ 52,116,963</b>	<b>\$ 50,259,319</b>
Covered Employee Payroll	\$ 27,760,795	\$ 22,994,408	\$ 22,994,408	\$ 25,948,333
Total OPEB Liability as a Percentage of Covered Employee Payroll	210.40%	278.74%	226.65%	193.69%

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

**NYSERS Pension Plan**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0234%	0.0234%	0.0212%	0.0216%	0.0214%	0.0223%	0.02196%
Proportionate share of the net pension liability (assets)	\$ 23,349	\$ 6,200,188	\$ 1,500,379	\$ 696,989	\$ 2,012,546	\$ 3,572,328	\$ 741,697
Covered-employee payroll	\$ 7,793,996	\$ 7,153,767	\$ 6,601,450	\$ 6,416,905	\$ 6,159,037	\$ 7,009,341	\$ 6,061,577
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	0.300%	86.670%	22.728%	10.862%	32.676%	50.965%	12.236%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

**NYSTRS Pension Plan**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.1691%	0.1665%	0.1637%	0.1628%	0.1606%	0.1587%	0.15545%
Proportionate share of the net pension liability (assets)	\$ 4,673,728	\$ (2,708,924)	\$ (2,959,590)	\$ (1,237,520)	\$ 1,719,664	#####	\$ 17,315,906
Covered-employee payroll	\$ 29,374,320	\$ 28,420,843	\$ 27,630,514	\$ 26,623,688	\$ 25,741,349	\$ 24,697,342	\$ 23,810,551
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	15.911%	-9.531%	-10.711%	-4.648%	6.681%	-66.730%	72.724%
Plan fiduciary net position as a percentage of the total pension liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

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

**NYSERS Pension Plan**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,039,856	\$ 962,095	\$ 915,938	\$ 927,484	\$ 923,767	\$ 1,092,738	\$ 1,127,920
Contributions in relation to the contractually required contribution	<u>(1,039,856)</u>	<u>(962,095)</u>	<u>(915,938)</u>	<u>(927,484)</u>	<u>(923,767)</u>	<u>(1,092,738)</u>	<u>(1,127,920)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 7,793,996	\$ 7,153,767	\$ 6,601,450	\$ 6,416,905	\$ 6,159,037	\$ 7,009,341	\$ 6,061,577
Contributions as a percentage of covered-employee payroll	13.34%	13.45%	13.87%	14.45%	15.00%	15.59%	18.61%

**NYSTRS Pension Plan**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,008,768	\$ 2,708,924	\$ 3,144,786	\$ 2,787,779	\$ 3,217,121	\$ 3,484,308	\$ 4,376,271
Contributions in relation to the contractually required contribution	<u>(3,008,768)</u>	<u>(2,708,924)</u>	<u>(3,144,786)</u>	<u>(2,787,779)</u>	<u>(3,217,121)</u>	<u>(3,484,308)</u>	<u>(4,376,271)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 29,374,320	\$ 28,420,843	\$ 27,630,514	\$ 26,623,688	\$ 25,741,349	\$ 24,697,342	\$ 23,810,151
Contributions as a percentage of covered-employee payroll	10.24%	9.53%	11.38%	10.47%	12.50%	14.11%	18.38%

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

	<u>Original</u> <u>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	\$ 46,933,845	\$ 47,372,508	\$ 47,372,235	\$ (273)
Real property tax items	6,260,727	5,822,064	5,732,137	(89,927)
Non-property taxes	75,000	75,000	73,000	(2,000)
Charges for services	30,000	30,000	38,840	8,840
Use of money and property	170,000	170,000	101,858	(68,142)
Sale of property and compensation for loss	-	-	686	686
Miscellaneous	150,783	150,783	421,997	271,214
<b>State Sources -</b>				
Basic formula	15,958,035	15,607,933	15,731,350	123,417
Lottery aid	5,383,000	5,383,000	5,507,702	124,702
BOCES	1,680,000	1,680,000	2,933,835	1,253,835
Textbooks	261,000	261,000	260,378	(622)
<b>All Other Aid -</b>				
Computer software	132,500	132,500	133,006	506
Library loan	26,500	26,500	26,962	462
Other aid	-	-	47,012	47,012
<b>Federal Sources</b>	46,500	396,602	435,283	38,681
<b>TOTAL REVENUES</b>	<u>\$ 77,107,890</u>	<u>\$ 77,107,890</u>	<u>\$ 78,816,281</u>	<u>\$ 1,708,391</u>
<b>Other Sources -</b>				
Transfer - in	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 77,407,890</u>	<u>\$ 77,407,890</u>	<u>\$ 79,116,281</u>	<u>\$ 1,708,391</u>
Appropriated reserves	<u>\$ 320,000</u>	<u>\$ 320,000</u>		
Appropriated fund balance	<u>\$ 529,000</u>	<u>\$ 529,000</u>		
Prior year encumbrances	<u>\$ 348,343</u>	<u>\$ 348,343</u>		
<b>TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE</b>	<u><u>\$ 78,605,233</u></u>	<u><u>\$ 78,605,233</u></u>		

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

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 106,765	\$ 112,265	\$ 104,709	\$ 1,896	\$ 5,660
Central administration	196,975	203,475	200,531	-	2,944
Finance	544,755	634,458	602,682	12,953	18,823
Staff	795,790	849,552	817,526	15,739	16,287
Central services	4,637,650	4,247,557	3,970,153	225,948	51,456
Special items	1,040,750	1,017,332	868,702	-	148,630
<b>Instructional -</b>					
Instruction, administration and improvement	2,288,895	2,496,582	2,363,788	646	132,148
Teaching - regular school	22,763,251	22,366,675	21,631,487	46,447	688,741
Programs for children with handicapping conditions	9,448,603	9,676,546	8,375,964	122,620	1,177,962
Occupational education	610,000	603,244	600,110	-	3,134
Teaching - special schools	38,800	93,000	64,087	-	28,913
Instructional media	1,825,415	2,484,009	2,427,760	20,925	35,324
Pupil services	4,530,143	4,567,711	4,243,458	28,904	295,349
<b>Pupil Transportation</b>	3,072,941	3,238,236	2,700,485	9,645	528,106
<b>Community Services</b>	11,000	11,000	-	-	11,000
<b>Employee Benefits</b>	19,333,500	18,691,191	17,459,679	13,525	1,217,987
<b>Debt service - principal</b>	5,541,000	5,111,400	5,104,368	-	7,032
<b>Debt service - interest</b>	1,649,000	2,031,000	2,007,180	-	23,820
<b>TOTAL EXPENDITURES</b>	<u>\$ 78,435,233</u>	<u>\$ 78,435,233</u>	<u>\$ 73,542,669</u>	<u>\$ 499,248</u>	<u>\$ 4,393,316</u>
<b>Other Uses -</b>					
Transfers - out	\$ 170,000	\$ 170,000	\$ 65,587	\$ -	\$ 104,413
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 78,605,233</u>	<u>\$ 78,605,233</u>	<u>\$ 73,608,256</u>	<u>\$ 499,248</u>	<u>\$ 4,497,729</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,508,025</u>		
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>9,141,315</u>	<u>9,141,315</u>	<u>9,141,315</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 9,141,315</u>	<u>\$ 9,141,315</u>	<u>\$ 14,649,340</u>		

**Note to Required Supplementary Information:**

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

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

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

Adopted budget		\$ 78,256,890
Prior year's encumbrances		348,343
<b>Original Budget</b>		<b>\$ 78,605,233</b>
<b>FINAL BUDGET</b>		<b>\$ 78,605,233</b>

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

2021-22 voter approved expenditure budget		\$ 83,218,489
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 1,028,248	
Unassigned fund balance	3,327,394	
Total Unrestricted fund balance	\$ 4,355,642	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 529,000	
Encumbrances included in assigned fund balance	499,248	
Total adjustments	\$ 1,028,248	
General fund fund balance subject to Section 1318 of Real Property Tax Law		3,327,394
<b>ACTUAL PERCENTAGE</b>		<b>4.00%</b>



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

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance	
			Prior Years	Current Year	Total		Obligations	Local Sources	State Sources		Total
Insurance Bus Purchase	\$ 291,772	\$ 291,772	\$ -	\$ 291,772	\$ 291,772	\$ -	\$ -	\$ 291,772	\$ -	\$ 291,772	\$ -
Bus Purchases 2016-17	844,370	844,370	844,370	-	844,370	-	675,496	-	-	675,496	(168,874)
Bus Purchases 2017-18	847,000	847,000	832,672	-	832,672	14,328	499,601	-	-	499,601	(333,071)
Bus Purchases 2018-19	879,000	879,000	825,878	-	825,878	53,122	330,351	-	-	330,351	(495,527)
Bus Purchases 2019-20	879,000	879,000	878,844	-	878,844	156	175,800	-	-	175,800	(703,044)
Bus Purchases 2020-21	859,817	859,817	-	859,817	859,817	-	-	-	-	-	(859,817)
Smart Schools Bond Act	78,479	78,479	-	78,479	78,479	-	-	-	78,479	78,479	-
Campus Improvement 2019	29,287,427	29,287,427	1,323,259	5,969,360	7,292,619	21,994,808	-	2,500,000	-	2,500,000	(4,792,619)
<b>TOTAL</b>	<b>\$ 33,966,865</b>	<b>\$ 33,966,865</b>	<b>\$ 4,705,023</b>	<b>\$ 7,199,428</b>	<b>\$ 11,904,451</b>	<b>\$ 22,062,414</b>	<b>\$ 1,681,248</b>	<b>\$ 2,791,772</b>	<b>\$ 78,479</b>	<b>\$ 4,551,499</b>	<b>\$ (7,352,952)</b>

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

	Special Revenue Funds			Total
	Special	School	Debt	Nonmajor
	Aid	Lunch	Service	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 25,480	\$ 109,871	\$ 2,051,127	\$ 2,186,478
Receivables	802,635	253,193	-	1,055,828
Inventories	-	51,356	-	51,356
<b>TOTAL ASSETS</b>	<b><u>\$ 828,115</u></b>	<b><u>\$ 414,420</u></b>	<b><u>\$ 2,051,127</u></b>	<b><u>\$ 3,293,662</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b><u>Liabilities -</u></b>				
Accounts payable	\$ 855	\$ 2,000	\$ -	\$ 2,855
Accrued liabilities	1,211	11,354	-	12,565
Due to other funds	826,049	572	-	826,621
Due to other governments	-	482	-	482
Due to ERS	-	23,956	-	23,956
Unearned revenue	-	83,577	-	83,577
<b>TOTAL LIABILITIES</b>	<b><u>\$ 828,115</u></b>	<b><u>\$ 121,941</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 950,056</u></b>
 <b><u>Fund Balances -</u></b>				
Nonspendable	\$ -	\$ 51,356	\$ -	\$ 51,356
Restricted	-	-	2,051,127	2,051,127
Assigned	-	241,123	-	241,123
<b>TOTAL FUND BALANCE</b>	<b><u>\$ -</u></b>	<b><u>\$ 292,479</u></b>	<b><u>\$ 2,051,127</u></b>	<b><u>\$ 2,343,606</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 828,115</u></b>	<b><u>\$ 414,420</u></b>	<b><u>\$ 2,051,127</u></b>	<b><u>\$ 3,293,662</u></b>

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

	<b>Special Revenue Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Special Aid Fund</b>	<b>School Lunch Fund</b>	<b>Debt Service Fund</b>	
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 150	\$ 40,548	\$ 40,698
Miscellaneous	-	4,249	-	4,249
State sources	752,562	34,518	-	787,080
Federal sources	1,413,828	981,542	-	2,395,370
Sales	-	41,490	-	41,490
<b>TOTAL REVENUES</b>	<b>\$ 2,166,390</b>	<b>\$ 1,061,949</b>	<b>\$ 40,548</b>	<b>\$ 3,268,887</b>
<b>EXPENDITURES</b>				
General support	\$ 18,166	\$ -	\$ -	\$ 18,166
Instruction	1,921,462	-	-	1,921,462
Employee benefits	292,349	272,001	-	564,350
Cost of sales	-	432,442	-	432,442
Other expenses	-	474,501	-	474,501
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,231,977</b>	<b>\$ 1,178,944</b>	<b>\$ -</b>	<b>\$ 3,410,921</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (65,587)</b>	<b>\$ (116,995)</b>	<b>\$ 40,548</b>	<b>\$ (142,034)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - in	\$ 65,587	\$ -	\$ -	\$ 65,587
Transfers - out	-	-	(300,000)	(300,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 65,587</b>	<b>\$ -</b>	<b>\$ (300,000)</b>	<b>\$ (234,413)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (116,995)</b>	<b>\$ (259,452)</b>	<b>\$ (376,447)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>409,474</b>	<b>2,310,579</b>	<b>2,720,053</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 292,479</b>	<b>\$ 2,051,127</b>	<b>\$ 2,343,606</b>

(See Independent Auditors' Report)

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

<b>Capital assets, net</b>		\$ 104,141,916
<b>Deduct:</b>		
Bond payable	\$ 31,180,000	
Energy performance contract	3,448,836	
Unamortized bond premium	2,153,945	
Assets purchased with short-term financing	<u>7,352,952</u>	
		<u>44,135,733</u>
<b>Net Investment in Capital Assets</b>		<b><u><u>\$ 60,006,183</u></u></b>

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

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance</u> <u>Lising</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	0032-21-0673	\$ 911,967
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-21-0673	14,723
<b><i>Total Special Education Cluster IDEA</i></b>				<b>\$ 926,690</b>
<b><u>Education Stabilization Fund -</u></b>				
CARES Act - ESSER	84.425D	N/A	5890-21-2215	\$ 299,365
CARES Act - GEER	84.425C	N/A	5895-21-2215	50,737
<b><i>Total Education Stabilization Fund</i></b>				<b>\$ 350,102</b>
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-20-2215	9,800
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-21-2215	110,040
Title IVA - Student Support and Academic Enrichment Grants	84.424	N/A	0204-21-2215	24,817
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-21-2215	324,315
<b>Total U.S. Department of Education</b>				<b>\$ 1,745,764</b>
<b><u>U.S. Department of Agriculture:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department (Child Nutrition Services) -</u></b>				
Food Service Equipment Assistance Grant	10.579	N/A	0051-19-0069	\$ 18,166
<b><u>Child Nutrition Cluster -</u></b>				
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	006901	\$ 62,795
Summer Food Service Program - COVID	10.559	N/A	006901	918,747
<b><i>Total Child Nutrition Cluster</i></b>				<b>\$ 981,542</b>
<b>Total U.S. Department of Agriculture</b>				<b>\$ 999,708</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 2,745,472</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  
Victor 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 Victor Central School District, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Victor Central School District, New York's basic financial statements, and have issued our report thereon dated October 5, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Victor 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 Victor Central School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Victor 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 Victor 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 5, 2021

*Mengel, Metzger, Barz & Co. LLP*