

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2020 AND 2019**

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# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Beekmantown Central School District  
West Chazy, 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 Beekmantown Central School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the District's 2019 financial statements, and in our report dated September 12, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

#### **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 of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Beekmantown Central School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 13), budgetary comparison information (pages 56 & 57), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 60) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 61-64) 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.

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beekmantown Central School District's basic financial statements as a whole. The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of Beekmantown Central School District. The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Net Investment in Capital Assets, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2020, on our consideration of the Beekmantown Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beekmantown Central School District's internal control over financial reporting and compliance.

*Boulrice & Wood CPAs, PC*

September 17, 2020

## Management Discussion and Analysis

Within this section of the Beekmantown Central School District's annual financial report, the School's management provides narrative discussion and analysis of the financial activities of the School for the fiscal year ended June 30, 2020. The School's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the auditor's opinion letter, which precedes management's discussion and analysis.

### Financial Highlights

- The district ended the fiscal year with General Fund revenues of \$46,296,331. The annual General Fund expenditures and other uses totaled \$44,503,921. This means the district ended the fiscal year with an excess of revenues and other sources over expenditures and other uses totaling \$1,792,410.
- As of June 30, 2020, under the GASB 34 reporting model, the change in net position was (\$3,485,975). Under the fund accounting model, the change in fund balance was \$5,696,331. The primary reasons for these differences involve capital expenditures, other post-employment benefits, pensions, debt service transactions and bond proceeds. For Further details, see the reconciliation on pages 20 and 21.

### Overview of the Financial Statements

Management's discussion and analysis introduces the School's basic financial statements. The basic financial statements include: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

### District-Wide Financial Statements

The Governmental Accounting Standards Board's Statement #34 requires that reporting financial status take place in a district-wide format. The School's annual report includes two such district-wide financial statements, which provide both long-term and short-term information about the School's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these district-wide statements is the Statement of Net Position. This is a school-wide statement of position presenting information that includes all of the School's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the overall financial position of the School is improving or deteriorating. In addition to the financial information provided in this report, evaluation of the overall health of the School would extend to other non-financial factors such as diversification of the taxpayer base, the continued financial support of the State and Federal governments, and the condition of the School's infrastructure.

The second district-wide statement is the Statement of Activities. This statement reports how the School's net position changed during the current fiscal year. All current revenues and expenditures are

included regardless of when cash is received or paid. An important purpose for the design of the statement of activities is to show the financial reliance of the School's distinct activities or functions on revenues provided by the School's taxpayers.

Both of the district-wide financial statements distinguish government activities of the School that are principally supported by State and Federal sources, intergovernmental revenues, such as operating grants, and revenue from the local tax levy. Fiduciary activities, such as those for which the accounting occurs in the trust and agency fund, are not included in the government-wide statements since these assets are not available to fund the School programs.

The district-wide financial statements are presented on pages 14 and 15 of this report.

## **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The School uses funds to ensure and demonstrate compliance with finance-related law and regulations. Within the basic financial statements, fund financial statements focus on the School's most significant funds rather than the School as a whole. Major funds are reported separately while all others are combined in a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The School has two kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide statements, the governmental fund statements focus on the near-term inflows and outflows of resources available for spending. These statements illustrate short-term fiscal accountability in the use of such resources and the balances of such resources at the end of the fiscal year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of such resources for the near-term.

Since the district-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the government fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balance have been reconciled in the notes to the financial statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the supplemental financial statements for the General Fund. These statements and schedules demonstrate regulatory compliance with the School's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 16 and 17 of this report.

Fiduciary Funds such as the scholarship accounts, extra-classroom activity balances and other payroll withholdings are reported in the fiduciary fund financial statements, but are excluded from the district-wide reporting. Fiduciary fund financial statements report resources that are not available to fund school programs.

The basic fiduciary fund financial statements are presented on pages 18 and 19 of this report.

## Notes to Financial Statements

Notes to Financial Statements provide information essential to a full understanding of the district-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also includes supplementary information beginning on page 53.

## Financial Analysis of the District as a Whole

The District's net position at June 30, 2020 is \$(80,392,655). This represents a \$3,485,975 decrease from last year's net position of \$(76,906,680). The following table provides a summary of the School's net position:

### Summary of Net Position

	<u>6/30/2020</u>	<u>6/30/2019</u>
Current and Other Assets	<b>\$ 21,786,237</b>	\$ 32,293,979
Capital Assets	<b>56,198,283</b>	47,771,878
Total Assets	<b><u>77,984,520</u></b>	<u>80,065,857</u>
Deferred Outflow of Resources		
Unamortized Defeasance Loss	-	60,625
Other Post Employment Benefits	<b>27,601,986</b>	7,322,441
Pensions	<b>10,705,035</b>	10,176,499
Total Assets and Deferred Outflow of Resources	<b><u>\$ 116,291,541</u></b>	<b><u>\$ 97,625,422</u></b>
Current Liabilities	<b>\$ 2,626,276</b>	\$ 19,645,543
Long-Term Liabilities	<b>175,902,333</b>	133,557,478
Total Liabilities	<b><u>178,528,609</u></b>	<u>153,203,021</u>
Deferred Inflows of Resources		
Other Post Employment Benefits	<b>13,985,716</b>	18,079,554
Pensions	<b>4,169,871</b>	3,249,527
Total Deferred Inflow of Resources	<b><u>18,155,587</u></b>	<u>21,329,081</u>
Net Assets		
Net Invested in Capital Assets	<b>38,380,581</b>	37,351,057
Restricted	<b>8,154,176</b>	4,574,391
Unrestricted	<b>(126,927,412)</b>	(118,832,128)
Total Net Position	<b><u>(80,392,655)</u></b>	<u>(76,906,680)</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<b><u>\$ 116,291,541</u></b>	<b><u>\$ 97,625,422</u></b>

The following table and supporting graphs provide a summary of revenues, expenses and net position for the year ended June 30, 2020:

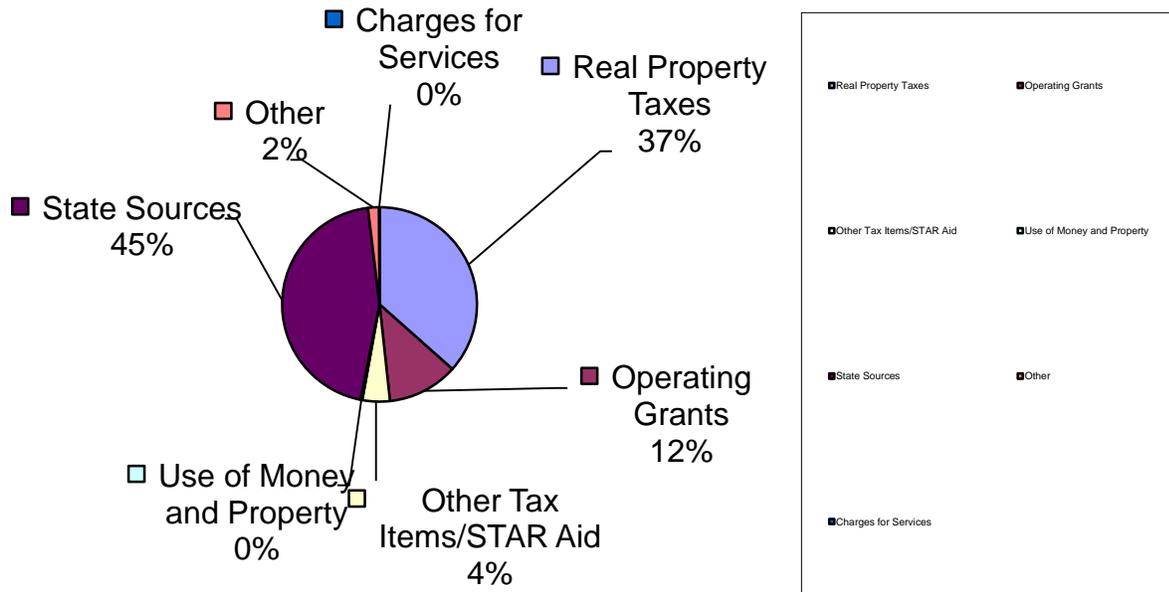
Statement of Activities  
Summary of Changes in Net Position

<b>Revenues:</b>	<u>6/30/2020</u>	<u>6/30/2019</u>	Change
Program Revenues:			
Charges for Services	\$ 37,920	\$ 63,360	-40.2%
Operating Grants & Contributions	6,162,989	6,233,862	-1.1%
General Revenues:			
Property Taxes	19,229,846	18,635,580	3.2%
School Tax Relief (STAR)	2,396,309	2,445,743	-2.0%
State Formula Aid	23,629,365	19,866,711	18.9%
Use of Money and Property	164,640	186,429	-11.7%
Miscellaneous	964,920	1,551,980	-37.8%
<b>Total Revenues:</b>	<u>52,585,989</u>	<u>48,983,665</u>	7.4%
<b>Expenses:</b>			
General Government Support	6,399,362	8,398,380	-23.8%
Instruction	24,935,792	24,348,128	2.4%
Pupil Transportation	1,965,407	2,144,710	-8.4%
Employee Benefits	15,927,545	12,123,389	31.4%
Employee Benefits, OPEB GASB 75	5,262,002	2,637,591	99.5%
Debt Service – Interest	644,030	451,960	42.5%
Cost of Sales – Food	782,409	771,538	1.4%
<b>Total Expenses:</b>	<u>55,916,547</u>	<u>50,875,696</u>	9.9%
<b>Extraordinary Item:</b>			
Donated Property (Note 15)	<u>(155,417)</u>	-	
Increase (decrease) in Net Position:	<b>(3,485,975)</b>	(1,892,031)	84.2%
Beginning Net Position	<u>(76,906,680)</u>	<u>(75,014,649)</u>	
Ending Net Position	<u><b>\$ (80,392,655)</b></u>	<u><b>\$ (76,906,680)</b></u>	

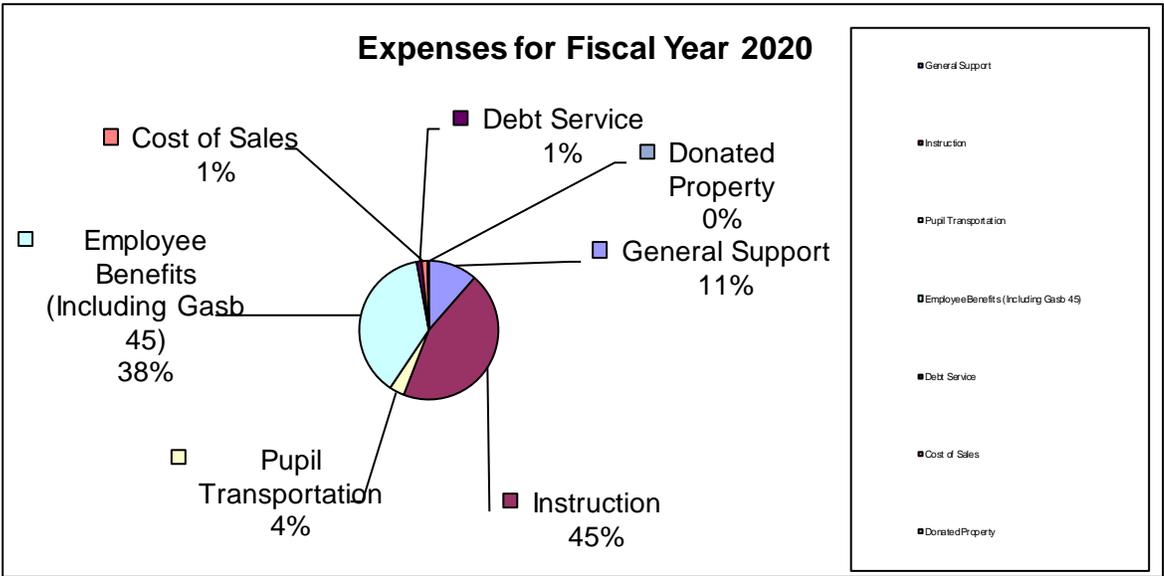
Revenues for the District's government-wide activities totaled \$52,585,989 while total expenses equaled \$55,916,547. An extraordinary item was \$155,417. Therefore, the decrease in net position for government-wide activities was (\$3,485,975) in 2020. The District's financial condition can be credited to:

- The Board of Education reaches out to all residents through an active web site, presenting our budget at convenient community locations, and encouraging community input at Board of Education meetings;
- The Audit Committee meets monthly to review and discuss financial documents and, where required, recommends those documents to the full Board of Education for review and approval;
- Board of Education continually reviews board policies on fiscal management and internal controls and updates them for adherence to applicable laws;
- Internal controls include training for the claims auditor. The claims auditor matches all vendor payment claims and supporting documentation against the warrant report and indicates approval with a signature. Additionally, the claims auditor submits a monthly report of findings to the Board and meets with the audit committee;
- Bank reconciliations are current and necessary documentation is maintained with the bank statements. The Audit Committee and Board of Education are provided with a current Treasurer's Report each month;
- Health insurance and other employee benefits are reviewed monthly to insure benefits are limited to only participants contractually entitled to such benefits;
- Submitted payrolls are reviewed for accuracy, which includes verifying contractual rates of pay to insure no unnecessary spending and payment. Substitutes are utilized only when necessary;
- Grants are reviewed to verify all expenditures, including payroll and benefits, are paid properly from these grants;
- Termination of employees is documented and unemployment claims are monitored closely;
- The District continues to manage expenditures through the solicitation of competitive bids and requests for proposal. The District also participates in state contract purchasing through the NYS Office of General Services and competitive bidding with St. Lawrence BOCES; National Joint Purchasing Alliance (NJPA) and The Cooperative Purchasing Network (TCPN).
- Equipment and computers purchased are tracked using a computerized inventory control system.
- During the year ended June 30, 2018, the District implemented GASB75 which requires the District to calculate and report the present value of the future liability for retiree health insurance costs. The District hired an actuary to calculate the liability which is currently reported (page 60) in the Statement of Net Position at \$148,537,143.
- The Board of Education annually supports professional development in fiscal management and compliance for the business office staff.

## Sources of Revenues for Fiscal Year 2020



Revenue Source	Amount
Real Property Taxes	\$ 19,229,846
Operating Grants	6,162,989
Other Tax Items/STAR Aid	2,396,309
Use of Money and Property	164,640
State Sources	23,629,365
Other	964,920
Charges for Services	37,920
	<u>\$ 52,585,989</u>



Expenditure	Amount
General Support	\$ 6,399,362
Instruction	24,935,792
Pupil Transportation	1,965,407
Employee Benefits (Including Gasb 75)	21,189,547
Debt Service	644,030
Cost of Sales	782,409
Donated Property	155,417
	\$ 56,071,964

**Financial Analysis of the School District’s Funds**

As discussed, the School’s governmental funds are reported in the fund statements with a modified accrual basis that focuses on the short-term, inflow and outflow of resources available for spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the School District consist of the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2020, was \$56,198,283 which represents an increase of 17.6% from the 2019 balances. The capital assets include the completion of renovating the district infrastructure in accordance with the District's 5-year Capital Facilities Plan consisting of health and safety renovations, equipment and technology infrastructure upgrades and other alterations, renovations, and improvements to the Cumberland Head Elementary School and the Beekmantown Main Building (K-12 facilities). The increase in net capital assets is attributable to district purchases of equipment and completion of an energy performance contract and an 18 million dollar capital project.

	<u>CAPITAL ASSETS</u>		
	<u>Net of Accumulated Depreciation</u>		
	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Non-Depreciable Assets:			
Land	\$ 73,608	\$ 73,608	0.0%
Construction in Progress	15,619,720	13,044,761	19.7%
Depreciable Assets:			
Buildings	37,021,055	30,932,839	19.7%
Machinery and Equipment	3,483,900	3,720,670	-6.4%
<b>TOTAL</b>	<b>\$ 56,198,283</b>	<b>\$ 47,771,878</b>	<b>17.6%</b>

### Long Term Debt

At the end of the fiscal year, the District had \$172,061,306 in long-term debt outstanding. More detailed information about the District's long-term liabilities and Bond Anticipation Notes are presented in Note 7 to the financial statements.

	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Compensated Absences	\$ 3,114,036	\$ 3,059,138	1.8%
Bonds Payable	20,410,127	10,481,446	94.7%
Other Post Employment Benefits	148,537,143	118,901,758	24.9%
	<b>\$ 172,061,306</b>	<b>\$ 132,442,342</b>	<b>29.9%</b>

## Other Post-Employment Benefits

The District identified long term financial stress factors and worked effectively with the local bargaining units to collectively modify employer/employee allocations for benefit costs as well as switching health insurance plans for all current employee groups. While the financial benefits will be recognized over a multiyear period of time the renewal terms had a significant impact on the actuarial calculation of this long term liability. As indicated in the chart below the actuarial accrued liability is \$148,537,143.

The District's liability for other post-employment benefits is summarized below:

	<u>OPEB Liability</u>	<u>Percentage Change</u>
6/30/2020	\$ 148,537,143	24.92%
6/30/2019	\$ 118,901,758	0.34%
6/30/2018	\$ 118,500,646	

## Factors Bearing on the Future of District

At the time these financial statements were prepared and audited, the District faces the following existing circumstances that could significantly affect its financial health in the future:

- Condition of State's financial health and the impact this condition will have on state aid.
- Potential decreases or increases in employer's contribution to the Teacher's Retirement System and the Employee Retirement System.
- Drastic and concerning increasing cost of health insurance premiums.
- Recent District trend of increasing enrollment.
- Long range positive financial relief/benefit resulting from the NYS creation of Tier V and Tier VI class employees.
- Continued reductions in funding from Federal and State Grants.
- Increased number of retirees receiving benefits for longer period of time.
- Partnering with NYS and the County to deliver services to pre-school students.
- Effect of COVID-19 on local economy and NYS as a whole

## **Contacting the Financial Managers of the School**

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances, comply with finance-related laws and regulations and demonstrate the School's commitment to public accountability. If you have questions about this report, or would like to request additional information, please contact:

Beekmantown Central School District Offices  
Attn: Daniel W. Mannix, Superintendent  
37 Eagle Way, West Chazy, NY 12992-2577  
(518) 563-8250 Ext 5501

## STATEMENTS OF NET POSITION

June 30, 2020 and 2019

<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
Cash:		
Unrestricted	\$ 5,833,313	\$ 9,756,380
Restricted	8,331,344	18,135,825
Receivables:		
Accounts Receivable	43,702	49,766
Due from Fiduciary Funds	109,013	108,282
State and Federal Aid Receivable	2,900,387	1,606,573
Due from Other Governments	1,902,686	787,282
Inventories	38,390	26,287
Deposit, Electric Reserve	27,204	27,149
Capital Assets, Net	56,198,283	47,771,878
Net Pension Asset-Proportionate Share	2,600,198	1,796,435
<b>Total Assets</b>	<u><b>77,984,520</b></u>	<u><b>80,065,857</b></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized Defeasance Loss	-	60,625
Other Post Employment Benefits	27,601,986	7,322,441
Pensions	10,705,035	10,176,499
<b>Total Deferred Outflows of Resources</b>	<u><b>38,307,021</b></u>	<u><b>17,559,565</b></u>
 <b>Total Assets and Deferred Outflows of Resources</b>	<u><b>\$ 116,291,541</b></u>	<u><b>\$ 97,625,422</b></u>
 <b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 363,932	\$ 1,802,475
Bond Anticipation Notes Payable	-	13,528,995
Due to Other Governments	455,585	2,241,095
Due to Teacher's Retirement System	1,605,338	1,885,267
Due to Employee Retirement System	174,462	182,704
Unearned Revenues	26,959	5,007
Long-Term Liabilities		
Bonds Payable and long-term debt, Current	1,270,000	1,295,000
Due and payable after one year:		
Bonds Payable and long-term debt, Non-Current	19,140,127	9,186,446
Compensated Absences Payable	3,155,968	3,059,138
Other Post Employment Benefits	148,537,143	118,901,758
Net Pension Liability-Proportionate Share	3,799,095	1,115,136
<b>Total Liabilities</b>	<u><b>178,528,609</b></u>	<u><b>153,203,021</b></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Other Post Employment Benefits	13,985,716	18,079,554
Pensions	4,169,871	3,249,527
<b>Total Deferred Inflows of Resources</b>	<u><b>18,155,587</b></u>	<u><b>21,329,081</b></u>
 <b>NET POSITION</b>		
Net Investment in Capital Assets	38,380,581	37,351,057
Restricted	8,154,176	4,574,391
Unrestricted (deficit)	<u>(126,927,412)</u>	<u>(118,832,128)</u>
<b>Total Net Position</b>	<u><b>(80,392,655)</b></u>	<u><b>(76,906,680)</b></u>
 <b>Total Liabilities, Deferred Inflows and Net Position</b>	<u><b>\$ 116,291,541</b></u>	<u><b>\$ 97,625,422</b></u>

See Notes to the Financial Statements.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020 and 2019

Functions/ Programs	2020			2019	
	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
General Support	\$ (6,399,362)	\$ -	\$ 1,610,470	\$ (4,788,892)	\$ (7,010,713)
Instruction	(24,935,792)	-	4,552,519	(20,383,273)	(19,501,933)
Pupil Transportation	(1,965,407)	-	-	(1,965,407)	(2,144,710)
Employee Benefits	(21,189,547)	-	-	(21,189,547)	(14,760,980)
Debt Service	(644,030)	-	-	(644,030)	(451,960)
Cost of Sales (School Lunch)	(782,409)	37,920	-	(744,489)	(708,178)
<b>Total Functions and Programs</b>	<b>\$ (55,916,547)</b>	<b>\$ 37,920</b>	<b>\$ 6,162,989</b>	<b>(49,715,638)</b>	<b>(44,578,474)</b>
<b>General Revenues</b>					
Real Property Taxes				19,229,846	18,635,580
Other Tax Items/STAR Aid				2,396,309	2,445,743
Charges for Services				211,633	159,345
Use of Money and Property				164,640	186,429
Sale of Property and Compensation for Loss				91,621	8,466
Miscellaneous				551,702	1,196,884
State Sources				23,629,365	19,866,711
Federal Sources				109,964	187,285
<b>Total General Revenues</b>				<b>46,385,080</b>	<b>42,686,443</b>
<b>Extraordinary Item</b>					
Donated property (Note 15)				(155,417)	-
<b>Change in Net Position</b>				<b>(3,485,975)</b>	<b>(1,892,031)</b>
<b>Total Net Position - Beginning of Year</b>				<b>(76,906,680)</b>	<b>(75,014,649)</b>
<b>Total Net Position - End of Year</b>				<b>\$ (80,392,655)</b>	<b>\$ (76,906,680)</b>

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 3

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2020 and 2019

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERIVCE	2020 TOTAL	2019 TOTAL
<b>ASSETS</b>						
Unrestricted Cash	\$ 5,714,485	\$ 118,828	\$ -	\$ -	\$ 5,833,313	\$ 9,756,380
Restricted Cash	5,200,183	-	3,131,161	-	8,331,344	18,135,825
Accounts Receivable	30,014	13,007	681	-	43,702	49,766
Due from Other Funds	2,014,493	-	-	361,568	2,376,061	3,502,380
Due from Fiduciary Funds	109,013	-	-	-	109,013	108,282
Inventories	-	38,390	-	-	38,390	26,287
State & Federal Aid Receivable	974,395	1,840,992	85,000	-	2,900,387	1,606,573
Deposit, Electric Reserve	27,204	-	-	-	27,204	27,149
Due from Other Governments	1,902,686	-	-	-	1,902,686	787,282
<b>Total Assets</b>	<b>\$ 15,972,473</b>	<b>\$ 2,011,217</b>	<b>\$ 3,216,842</b>	<b>\$ 361,568</b>	<b>\$ 21,562,100</b>	<b>\$ 33,999,924</b>
<b>LIABILITIES</b>						
Accounts Payable and Accrued Expenses	\$ 211,516	\$ 45,943	\$ 68,814	\$ -	\$ 326,273	\$ 1,795,317
Bond Anticipation Notes Payable	-	-	-	-	-	13,528,995
Due to Other Funds	-	1,820,458	555,603	-	2,376,061	3,502,380
Due to Other Governments	455,581	4	-	-	455,585	2,241,095
Due to Teachers' Retirement System	1,605,338	-	-	-	1,605,338	1,885,267
Due to Employees' Retirement System	174,462	-	-	-	174,462	182,704
Compensated Absences	41,932	-	-	-	41,932	-
Unearned Revenue	-	26,959	-	-	26,959	5,007
<b>Total Liabilities</b>	<b>2,488,829</b>	<b>1,893,364</b>	<b>624,417</b>	<b>-</b>	<b>5,006,610</b>	<b>23,140,765</b>
<b>Fund Balances:</b>						
Nonspendable						
Inventories	-	38,390	-	-	38,390	26,287
Restricted						
Capital Reserve	558,453	-	2,592,425	-	3,150,878	555,890
Tax Certiorari	742,604	-	-	-	742,604	316,641
Unemployment Insurance	330,160	-	-	-	330,160	96,820
Employee Benefit Accrued Liability	2,515,478	-	-	-	2,515,478	2,480,564
Retirement of long-term debt	-	-	-	361,568	361,568	377,226
Workers Comp Reserve	141,567	-	-	-	141,567	141,013
Retirement Reserve- ERS	583,553	-	-	-	583,553	580,869
Retirement Reserve- TRS	303,000	-	-	-	303,000	-
Reserve for Insurance	25,368	-	-	-	25,368	25,368
Assigned						
Appropriated Fund Balance	1,600,000	-	-	-	1,600,000	1,300,000
Encumbrances (Note 10)	398,247	-	-	-	398,247	211,531
Unassigned	6,285,214	79,463	-	-	6,364,677	4,746,950
<b>Total Fund Balances</b>	<b>13,483,644</b>	<b>117,853</b>	<b>2,592,425</b>	<b>361,568</b>	<b>16,555,490</b>	<b>10,859,159</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,972,473</b>	<b>\$ 2,011,217</b>	<b>\$ 3,216,842</b>	<b>\$ 361,568</b>	<b>\$ 21,562,100</b>	<b>\$ 33,999,924</b>

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 4

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2020 and 2019

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	2020 TOTAL	2019 TOTAL
<b>REVENUES</b>						
Real Property Taxes	\$ 19,229,846	\$ -	\$ -	\$ -	\$ 19,229,846	\$ 18,635,580
Other Tax Items/STAR Aid	2,396,309	-	-	-	2,396,309	2,445,743
Charges for Services	211,633	-	-	-	211,633	159,345
Use of Money and Property	129,809	490	-	34,341	164,640	186,429
Sale of Property and Compensation for Loss	126,012	-	-	-	126,012	8,466
Miscellaneous	548,393	3,309	-	-	551,702	1,102,487
State Sources	23,544,365	3,514,654	85,000	-	27,144,019	23,637,178
Federal Sources	109,964	2,546,666	-	-	2,656,630	2,560,288
Surplus Food	-	101,669	-	-	101,669	90,392
Sales (School Lunch)	-	37,920	-	-	37,920	63,360
<b>Total Revenues</b>	<b>46,296,331</b>	<b>6,204,708</b>	<b>85,000</b>	<b>34,341</b>	<b>52,620,380</b>	<b>48,889,268</b>
<b>EXPENDITURES</b>						
General Support	5,869,384	460,246	-	-	6,329,630	8,519,282
Instruction	19,536,004	3,947,069	-	-	23,483,073	23,635,912
Pupil Transportation	1,633,373	27,168	-	-	1,660,541	1,729,632
Community Service	5,391	-	-	-	5,391	8,598
Employee Benefits	12,669,487	931,156	-	-	13,600,643	12,590,767
Debt Service	2,758,387	-	-	1,581,731	4,340,118	3,116,592
Cost of Sales (School Lunch)	-	782,409	-	-	782,409	771,538
Capital Outlay	-	-	10,438,139	-	10,438,139	7,126,543
<b>Total Expenditures</b>	<b>42,472,026</b>	<b>6,148,048</b>	<b>10,438,139</b>	<b>1,581,731</b>	<b>60,639,944</b>	<b>57,498,864</b>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed From Appropriations	-	-	2,487,807	-	2,487,807	1,501,250
Bond Proceeds	-	-	9,395,000	-	9,395,000	-
Interfund Transfers In	-	43,118	457,045	1,531,732	2,031,895	2,202,045
Interfund Transfers (Out)	(2,031,895)	-	-	-	(2,031,895)	(2,202,045)
Bond Premium	-	-	1,833,088	-	1,833,088	94,397
<b>Total Other Sources and (Uses)</b>	<b>(2,031,895)</b>	<b>43,118</b>	<b>14,172,940</b>	<b>1,531,732</b>	<b>13,715,895</b>	<b>1,595,647</b>
<b>Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>1,792,410</b>	<b>99,778</b>	<b>3,819,801</b>	<b>(15,658)</b>	<b>5,696,331</b>	<b>(7,013,949)</b>
<b>Fund Balance, Beginning of Year</b>	<b>11,691,234</b>	<b>18,075</b>	<b>(1,227,376)</b>	<b>377,226</b>	<b>10,859,159</b>	<b>17,873,108</b>
<b>Fund Balance, End of Year</b>	<b>\$ 13,483,644</b>	<b>\$ 117,853</b>	<b>\$ 2,592,425</b>	<b>\$ 361,568</b>	<b>\$ 16,555,490</b>	<b>\$ 10,859,159</b>

See Notes to the Financial Statements.

BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 5

STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2020 and 2019

	PRIVATE PURPOSE	AGENCY	<u>2020</u> TOTAL	<u>2019</u> TOTAL
<b>ASSETS</b>				
Cash	\$ 22,225	\$ 234,892	\$ 257,117	\$ 247,097
Other assets	-	48	48	180
<b>Total Assets</b>	<u>\$ 22,225</u>	<u>\$ 234,940</u>	<u>\$ 257,165</u>	<u>\$ 247,277</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ 109,013	\$ 109,013	\$ 108,282
Extra Classroom Activities Balances	-	125,927	125,927	112,742
<b>Total Liabilities</b>	<u>-</u>	<u>234,940</u>	<u>234,940</u>	<u>221,024</u>
<b>NET POSITION</b>				
Reserved for Scholarships	<u>22,225</u>	<u>-</u>	<u>22,225</u>	<u>26,253</u>
<b>Total Net Position</b>	<u>22,225</u>	<u>-</u>	<u>22,225</u>	<u>26,253</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 22,225</u>	<u>\$ 234,940</u>	<u>\$ 257,165</u>	<u>\$ 247,277</u>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 6

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
	<u>PRIVATE PURPOSE TRUST</u>	<u>PRIVATE PURPOSE TRUST</u>
<b>ADDITIONS</b>		
Gifts and Contributions	\$ 15,555	\$ 12,800
Investment Earnings	17	55
<b>Total Additions</b>	<u>15,572</u>	<u>12,855</u>
<b>DEDUCTIONS</b>		
Scholarships and Awards	<u>19,600</u>	<u>17,470</u>
<b>Total Deductions</b>	<u>19,600</u>	<u>17,470</u>
<b>Changes in Net Position</b>	<b>(4,028)</b>	<b>(4,615)</b>
<b>Net Position, Beginning of Year</b>	<u>26,253</u>	<u>30,868</u>
<b>Net Position, End of Year</b>	<u><u>\$ 22,225</u></u>	<u><u>\$ 26,253</u></u>

BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 7

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2020

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
<b>ASSETS</b>				
Unrestricted Cash	\$ 5,833,313	\$ -	\$ -	\$ 5,833,313
Restricted Cash	8,331,344	-	-	8,331,344
Accounts Receivable	43,702	-	-	43,702
Due from Other Funds	2,376,061	-	(2,376,061)	-
Due from Fiduciary Funds	109,013	-	-	109,013
State & Federal Aid Receivable	2,900,387	-	-	2,900,387
Due from Other Governments	1,902,686	-	-	1,902,686
Inventories	38,390	-	-	38,390
Deposit, Electric Reserve	27,204	-	-	27,204
Capital Assets, Net	-	56,198,283	-	56,198,283
Net Pension Asset-Proportionate Share	-	2,600,198	-	2,600,198
<b>Total Assets</b>	<u>21,562,100</u>	<u>58,798,481</u>	<u>(2,376,061)</u>	<u>77,984,520</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other Post Employment Benefits	-	27,601,986	-	27,601,986
Pensions	-	10,705,035	-	10,705,035
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>38,307,021</u>	<u>-</u>	<u>38,307,021</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 21,562,100</u>	<u>\$ 97,105,502</u>	<u>\$ (2,376,061)</u>	<u>\$ 116,291,541</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 326,273	\$ 37,659	\$ -	\$ 363,932
Due to Other Funds	2,376,061	-	(2,376,061)	-
Due to Other Governments	455,585	-	-	455,585
Due to Teacher's Retirement System	1,605,338	-	-	1,605,338
Due to Employee's Retirement System	174,462	-	-	174,462
Bonds Payable and other long term debt	-	20,410,127	-	20,410,127
Compensated Absences	41,932	3,114,036	-	3,155,968
Unearned revenues	26,959	-	-	26,959
Other Post Employment Benefits	-	148,537,143	-	148,537,143
Net Pension Liability- Proportionate Share	-	3,799,095	-	3,799,095
<b>Total Liabilities</b>	<u>5,006,610</u>	<u>175,898,060</u>	<u>(2,376,061)</u>	<u>178,528,609</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other post employment benefits	-	13,985,716	-	13,985,716
Pensions	-	4,169,871	-	4,169,871
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>18,155,587</u>	<u>-</u>	<u>18,155,587</u>
<b>FUND EQUITY/NET POSITION</b>				
<b>Total Fund Equity/ Net Position</b>	<u>16,555,490</u>	<u>(96,948,145)</u>	<u>-</u>	<u>(80,392,655)</u>
<b>Total Liabilities, Deferred Inflows, and Fund Equity/ Net Position</b>	<u>\$ 21,562,100</u>	<u>\$ 97,105,502</u>	<u>\$ (2,376,061)</u>	<u>\$ 116,291,541</u>

See Notes to the Financial Statements

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 8

RECONCILIATION OF GOVERNMENTAL FUNDS - REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
<b>REVENUES</b>						
Real Property Taxes	\$ 19,229,846	\$ -	\$ -	\$ -	\$ -	\$ 19,229,846
Other Tax Items/STAR Aid	2,396,309	-	-	-	-	2,396,309
Charges for Services	211,633	-	-	-	-	211,633
Use of Money and Property	164,640	-	-	-	-	164,640
Sale of Property and Compensation for Loss	126,012	-	(34,391)	-	-	91,621
Miscellaneous	551,702	-	-	-	-	551,702
State Sources	27,144,019	-	-	-	-	27,144,019
Federal Sources	2,656,630	-	-	-	-	2,656,630
Surplus Food	101,669	-	-	-	-	101,669
Sales (School Lunch)	37,920	-	-	-	-	37,920
<b>Total Revenues</b>	<b>52,620,380</b>	<b>-</b>	<b>(34,391)</b>	<b>-</b>	<b>-</b>	<b>52,585,989</b>
<b>EXPENDITURES</b>						
General Support	6,329,630	-	69,732	-	-	6,399,362
Instruction	23,483,073	-	1,447,328	-	-	24,930,401
Pupil Transportation	1,660,541	-	304,866	-	-	1,965,407
Community Service	5,391	-	-	-	-	5,391
Employee Benefits	13,600,643	7,588,904	-	-	-	21,189,547
Debt Service	4,340,118	86,719	-	(1,295,000)	(2,487,807)	644,030
Cost of Sales (School Lunch)	782,409	-	-	-	-	782,409
Capital Outlay	10,438,139	-	(10,438,139)	-	-	-
<b>Total Expenditures</b>	<b>60,639,944</b>	<b>7,675,623</b>	<b>(8,616,213)</b>	<b>(1,295,000)</b>	<b>(2,487,807)</b>	<b>55,916,547</b>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed	2,487,807	-	-	-	(2,487,807)	-
Bond Proceeds	9,395,000	-	-	-	(9,395,000)	-
Operating Transfers In	2,031,895	-	-	-	(2,031,895)	-
Operating Transfers (Out)	(2,031,895)	-	-	-	2,031,895	-
Bond Premium	1,833,088	-	-	(1,833,088)	-	-
Donated Property (Note 15)	-	-	(155,417)	-	-	(155,417)
<b>Total Other Sources and Uses</b>	<b>13,715,895</b>	<b>-</b>	<b>(155,417)</b>	<b>(1,833,088)</b>	<b>(11,882,807)</b>	<b>(155,417)</b>
<b>Net Change for the Year</b>	<b>\$ 5,696,331</b>	<b>\$ (7,675,623)</b>	<b>\$ 8,426,405</b>	<b>\$ (538,088)</b>	<b>\$ (9,395,000)</b>	<b>\$ (3,485,975)</b>

See Notes to the Financial Statements

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies

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

- A. Financial Reporting Entity: The Beekmantown Central School District Board of Education is the basic level of government, which has financial accountability and control over all activities related to the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The general-purpose financial statements include all funds of the District as well as the component units and other organizational entities determined to be includable in the District's financial reporting entity.

- B. Extraclassroom Activity Funds - The Extraclassroom Activity Funds of the Beekmantown Central School 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. The cash and investment balances are reported in the Fiduciary Funds of the District. Separate audited general financial statements (cash basis) of the Extraclassroom Activity Funds can be found attached to the general-purpose financial statements.
- C. Joint Venture - The Beekmantown Central School District is one of 16 component school districts in the Clinton/Essex/Warren/Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation. In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n (a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital cost. 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).

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

During the year ended June 30, 2020, the District was billed \$3,424,876 for BOCES administrative and program cost. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2020, the Beekmantown Central School District issued no serial bonds on behalf of BOCES. However, per a joint agreement signed March 1, 2019, the District is responsible for their share of the current BOCES capital project amounting to \$4,093,017 of which, \$2,000,000 was expended during the year ended June 30, 2019. The balance of \$2,093,017 was paid via 2019/20 appropriations. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES administrative office at P.O. Box 485, Plattsburgh, New York. The District's share of BOCES income amounted to \$2,508,564. BOCES also refunded the District \$66,221 for excess expenses billed in prior years.

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

#### D. Basis of presentation

##### 1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program 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. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### 2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Non-major funds are aggregated and presented in a single column. Beekmantown Central School District elects to report all governmental funds as major funds.

Governmental Fund Types: Governmental funds are those funds used to account for, and report, the operations of the District. The acquisition, use and balances of financial resources and related assets and liabilities are reported therein. The measurement focus is the determination of changes in financial position rather than net income determination. The following funds and aggregate governmental fund types are employed in accounting for and reporting District operations:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

Special Aid Fund - used to account for Federal and State special program activities.

School Lunch Fund- used to account for transactions for the District food service programs.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service Fund – the debt service fund is used to account for the financial resources used for acquisition, construction, or major repairs of capital facilities.

Fiduciary Fund Types: Fiduciary fund types consist of private purpose trust funds and agency funds and are used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Private purpose funds include scholarship funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Assets are held by the District as agent for various student groups or extra classroom activity funds and for payroll or employee withholding. These activities are not included in the District-wide financial statements, because their resources do not belong to the

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

District, and are not available to be used.

#### E. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using 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 a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days (60 days for property taxes) after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepaids and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as sick leave, which vests or accumulates, are charged as an expenditure when paid.
- d. Pension costs are recognized as an expenditure when billed by the state.
- e. The District recognizes the cost of providing post-retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.

F. Cash and Cash Equivalents: For financial statement purposes, all highly liquid investments having maturities of three months or less are considered as cash equivalents.

G. Inventories: Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of items (which could be inventoried) in other funds are recorded as expenditures at the time of purchase.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

- H. Capital Assets: Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the District, and are capitalized when cost of acquisition exceeds \$5,000. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at estimated fair market value at the time received.
- I. Unearned Revenue: Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.
- J. Deferred Compensation: Employees of the District may elect to participate in an Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.
- K. Post-Employment Benefits: In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The cost of providing post-retirement benefits is paid by the District or is shared between the District and the retired employee, depending on length of service and/or classification of employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents as an expenditure or operating transfer to other funds in the General Fund in the year paid.
- L. Property Taxes: Real property taxes are levied annually by the Board of Education no later than September 1st. Uncollected real property taxes are subsequently enforced by the County of Clinton. An amount representing uncollected real property taxes is transmitted to the county for enforcement and is paid by the county to the District no later than the forthcoming April 1st.
- M. Equity Classifications:

District- wide statements:

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

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

Restricted net position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

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.

Fund statements:

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

**Non-spendable** 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. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$38,390.

**Restricted** – 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 School District has established the following restricted fund balances:

#### Capital

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

#### Employee Benefits Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit 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.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

#### Unemployment Insurance

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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

#### Tax Certiorari

According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that 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 proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

#### Workers' Compensation

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 gets applied to appropriations of the next succeeding fiscal year's budget.

#### Retirement Contributions

According to General Municipal Law §6-r, must be used for 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.

#### Insurance

According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations or such other funds as may be legally appropriated. There is no

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

#### Encumbrances

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

**Committed** – Includes amounts that can only be used for 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 School District has no committed fund balances as of June 30, 2020.

**Assigned** – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$398,247.

**Unassigned** – Includes all other General Fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

#### 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, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

#### N. Budgetary Procedures and Budgetary Accounting

1. Budget Policies - The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund types:  
General Fund

The voters within the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program level.

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

2. Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison for the General Fund, included in the Combined Statement of Revenues and Expenditures - Budget and Actual, reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

#### P. Events Occurring After Reporting Date

The District has evaluated events and transactions that occurred between June 30, 2020 and September 17, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

#### Q. Estimates

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

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 1. Summary of Significant Accounting Policies (continued)

#### R. Reclassifications

Certain amounts in the 2019 financial statements may have been reclassified to conform to the 2020 presentation.

#### S. 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 (expense/expenditure) until then. The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This amount represents differences between expected and actual experience, changes in assumptions or other inputs, and contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first relates to pensions reported in the district-wide Statement of Net position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

#### T. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2020.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net position. This difference primarily results from the additional long-term economic focus of the Statement of Net position versus the solely current financial resources focus of the governmental fund Balance Sheets.

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the net position of the governmental activities. As of June 30, 2020 the District did not have any assets unavailable to pay for current-period expenditures.

Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period.

#### Explanation of Differences Between Governmental Fund Balances and District Wide Net Assets

Ending fund balance reported on Balance Sheet - Governmental Funds (Exhibit 3)	\$ 16,555,490
Capital assets net of related depreciation	56,198,283
Net pension asset	2,600,198
Deferred outflows:	
Pensions - TRS	8,178,809
Pensions - ERS	2,526,226
Other post employment benefits	27,601,986
Accrued interest	(37,659)

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

Liabilities, long term	
Bonds payable and other long term debt	(20,410,127)
Other post employment benefits	(148,537,143)
Compensated absences	(3,114,036)
Net pension liability	(3,799,095)
Deferred inflows:	
Pensions - TRS	(4,016,096)
Pensions - ERS	(153,775)
Other post employment benefits	<u>(13,985,716)</u>
Ending net position reported on Statement of Net Position (Exhibit 1)	<u><u>\$ (80,392,655)</u></u>

**B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities.**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

**1. Long-Term Revenue Differences**

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

**2. Capital Related Differences**

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

**3. Long-Term Debt Transaction Differences**

Long-term debt transaction differences occur as a result of proceeds from serial bonds reflected as revenue in governmental funds whereas they are a liability on the statement of net position. Also both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Other Post-Employment Benefits Differences

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 75 requires an actuarial calculation of the future liability and to record the OPEB Obligation in the Statement of Net Position.

5. Pension Differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

Explanation of Differences Between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues and other Funding Sources

**Revenues:**

Total Revenue reported in Governmental Funds (Exhibit 4)	\$ 52,620,380
Sale of property adjustments	<u>(34,391)</u>
Total Revenues Statement of Activities (Exhibit 8)	<u>\$ 52,585,989</u>

**Expenditures:**

Total expenditures reported in governmental funds (Exhibit 4)	\$ 60,639,944
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In the Statement of Activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned during the year exceeded the amount used.

54,898

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation expense in the current year. (Exhibit 8)	(8,616,213)
Repayment of bond and other long term debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not effect the Statement of Activities, (Exhibit 8)	(1,295,000)
Amortization of deferred interest	60,625
Amortization of bond premium	(4,407)
Accrued interest on long term debt is an expense on the Statement of Activities, but not on governmental funds.	30,501
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense	5,262,002
Repayment of bond anticipation notes is an expenditure in the General Fund and other sources of income in the Capital Project's Fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income in the Statement of Activities. (Exhibit 8)	(2,487,807)
(Increases) decreases 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 governmental funds.	
Teachers' Retirement System	1,586,027
Employees' Retirement System	<u>685,977</u>
Total expenses of governmental activities in the Statement of Activities (Exhibit 2)	<u>\$ 55,916,547</u>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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#### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

##### Other Sources and Uses:

Total other sources and uses in government funds (Exhibit 4)	\$ 13,715,895
Repayment of bond anticipation notes is an expenditure in the General Fund and other sources of income in the Capital Project's fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income in the Statement of Activities. (Exhibit 8)	(2,487,807)
Bond Premium is another source of income in the Capital Projects Fund, but is removed from the Statement of Activities and shown as a long term liability on the Statement of Net Postion.	(1,833,088)
Donated property is an expense on the Statement of Activities	(155,417)
Proceeds from long term debt are other sources of income in the Capital Projects Fund, but are removed from the Statement of Activities and shown as a long term liability on the Statement of Net Position	<u>(9,395,000)</u>
Total other sources and uses in Statement of Activities (Exhibit 8)	<u>\$ (155,417)</u>

#### Note 3. Cash and Investments

The District's investment policies are governed by State statutes and the District's own written policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and Districts.

At June 30, 2020, the District's bank balances totaled \$12,241,588 of which, \$250,000 was covered by Federal depository insurance and \$11,991,588 was covered by collateral held by the pledging banks in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2020 was \$8,331,344.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2020 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 2,123,506	\$ -	\$ -	\$ 2,031,895
Capital	-	555,603	457,045	-
Special Revenue:				
School Lunch	-	115,993	-	-
Special Aid	-	1,704,465	43,118	-
Debt Service	361,568	-	1,531,732	-
Trust and Agency	-	109,013	-	-
Total	<u>\$ 2,485,074</u>	<u>\$ 2,485,074</u>	<u>\$ 2,031,895</u>	<u>\$ 2,031,895</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically transfers money from the General Fund to the Debt Service Fund, where it makes principal and interest payments on the District's bonds.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The School District typically transfers money from the General Fund to the Special Aid Fund for its share of special aid programs.

The District transferred \$457,045 from the General Fund to the Capital Projects Fund for various capital projects.

All interfund payables are expected to be repaid within one year.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 5. Capital Assets**

The following is a summary of changes in capital assets:

	June 30, 2019 Balance	Additions	Retirements/ Reclassifications	June 30, 2020 Balance
Governmental Activities				
Capital Assets that are not Depreciated:				
Land	\$ 73,608	\$ -	\$ -	\$ 73,608
Construction in Progress	13,044,761	10,004,649	(7,429,690)	15,619,720
Total Nondepreciable Historical Cost	<u>13,118,369</u>	<u>10,004,649</u>	<u>(7,429,690)</u>	<u>15,693,328</u>
Capital Assets that are Depreciated:				
Buildings	49,371,877	7,344,692	(258,397)	56,458,172
Machinery and Equipment	9,843,332	723,555	(408,468)	10,158,419
Total Depreciable Historical Cost	<u>59,215,209</u>	<u>8,068,247</u>	<u>(666,865)</u>	<u>66,616,591</u>
Less Accumulated Depreciation:				
Buildings	18,439,038	1,101,059	(102,980)	19,437,117
Machinery and Equipment	6,122,662	919,435	(367,578)	6,674,519
Total Accumulated Depreciation	<u>24,561,700</u>	<u>2,020,494</u>	<u>(470,558)</u>	<u>26,111,636</u>
Total Depreciable Historical Cost, Net	<u>34,653,509</u>	<u>6,047,753</u>	<u>(196,307.00)</u>	<u>40,504,955</u>
Total Capital Assets, Net	<u>\$ 47,771,878</u>	<u>\$ 16,052,402</u>	<u>\$ (7,625,997)</u>	<u>\$ 56,198,283</u>

Depreciation was charged to governmental functions as follows:

	<u>6/30/2020</u>
General support	\$ 69,733
Instruction	1,493,453
Pupil transportation	457,308
	<u>\$ 2,020,494</u>

**Note 6. Compensated Absences**

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

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

District employees are granted vacation in varying amounts, based primarily on length of service and service position.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 6. Compensated Absences (continued)**

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 fund 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.

**Note 7. Indebtedness**

Short-term Debt:

Bond Anticipation Notes – Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. During the year, the School District had one BAN as described above. The interest rate on the BAN was 2.00%. The BAN had an outstanding balance of \$0 at June 30, 2020.

The following is a summary of changes in short-term debt:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Bond Anticipation Notes	13,528,995	-	13,528,995	-

Interest expense on the District's BAN obligations amounted to \$270,580 for 2019-2020.

Long-term Debt: Interest expense on the District's bond obligations amounted to \$114,938 for 2019-2020.

The following is a summary of changes in long-term debt:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Serial Bonds	3,405,000	\$ 9,395,000	\$ 920,000	\$ 11,880,000
Bond Premium, net of amort	26,446	1,833,088	4,407	1,855,127
Lease-purchase Obligations	7,050,000	-	375,000	6,675,000
Compensated Absences	3,059,138	54,898	-	3,114,036
Other Post Employment Benefits	118,901,758	29,635,385	-	148,537,143
Total	<u>\$ 132,442,342</u>	<u>\$ 40,918,371</u>	<u>\$ 1,299,407</u>	<u>\$ 172,061,306</u>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 7. Indebtedness (continued)**

Serial Bonds are comprised of the following:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/20
Serial Bond	7/5/2013	6/15/2025	3.0-4.0%	\$ 1,675,000
Serial Bond	5/1/2014	5/1/2030	2.75-3.125%	810,000
Serial Bond	6/17/2020	6/15/2034	5.00%	9,395,000
Bond Premium, net of amort				1,855,127
Total				<u>\$ 13,735,127</u>

The following is a summary of debt service requirements for General Obligation Bonds, Notes and other long-term debt:

Fiscal Year Ending June 30:	Principal	Interest	Total
2021	\$ 860,000	\$ 692,968	\$ 1,552,968
2022	1,035,000	522,150	1,557,150
2023	1,085,000	475,288	1,560,288
2024	1,135,000	426,188	1,561,188
2025	1,180,000	374,738	1,554,738
2026-2030	3,510,000	1,284,988	4,794,988
2031-2035	3,075,000	393,500	3,468,500
	<u>\$ 11,880,000</u>	<u>\$ 4,169,820</u>	<u>\$ 16,049,820</u>

In July 2017, the District entered into an Energy Performance Contract Municipal Lease/Purchase Agreement for \$7,196,396 to be spent on energy related improvements and equipment.

Lease-purchase obligations are as follows:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/20
Energy performance contract	7/7/2017	6/15/2033	2.41%	<u>\$ 6,675,000</u>

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### Note 7. Indebtedness (continued)

The following is a summary of capital lease obligations:

Fiscal Year Ending June 30:	
2021	\$ 572,656
2022	582,666
2023	587,187
2024	591,344
2025	595,134
2026-2030	3,053,886
2031-2035	1,909,796
	<hr/>
Total minimum lease payments	7,892,669
Less amount representing interest	(1,217,669)
Present value of minimum lease payments	<hr/> 6,675,000
	Less current portion
	(410,000)
	<hr/> Long-term portion
	<hr/> <hr/> \$ 6,265,000

### Note 8. Pension Plans

#### General Information

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

#### Provisions and Administration

##### **Teachers' Retirement System (TRS)**

The System is governed by a 10 member Board of Trustees. 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 State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### Note 8. Pension Plans (continued)

#### Employees' Retirement System (ERS)

The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. 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 State statute. The District also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### 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 ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

#### Contributions

	ERS	TRS
2020	\$ 631,915	\$ 1,875,429
2019	\$ 630,352	\$ 1,677,721
2018	\$ 618,893	\$ 1,858,244

ERS has provided additional disclosures for entities that elected to participate in Chapter 260, 57, and 105.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 8. Pension Plans (continued)**

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

At June 30, 2020 the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2020	6/30/2019
Net Pension asset/(liability)	\$ (3,799,095)	\$ 2,600,198
District's portion of the Plan's total net pension asset/(liability)	-0.0143467%	0.100084%
Change in proportion since the prior measurement date	\$ (2,683,959)	\$ 803,763

For the year ended June 30, 2020, the District's recognized pension expense of \$1,309,650 for ERS and \$3,077,243 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pension 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	\$ 223,592	\$ 1,762,088	\$ -	\$ 193,356
Changes of assumptions	76,496	4,912,121	66,053	1,197,714
Net difference between projected and actual earnings on pension plan investments	1,947,601	-	-	2,085,224
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	104,075	4,718	87,722	539,802
District's contributions subsequent to the measurement date	174,462	1,499,882	-	-
Total	<u>\$ 2,526,226</u>	<u>\$ 8,178,809</u>	<u>\$ 153,775</u>	<u>\$ 4,016,096</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**Note 8. Pension Plans (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 or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2020	\$ -	\$ 1,038,017
2021	381,327	(63,706)
2022	554,645	1,033,753
2023	698,964	705,261
2024	563,053	46,654
Thereafter	-	(97,148)
Total	<u>\$ 2,197,989</u>	<u>\$ 2,662,831</u>

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 to total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2020	6/30/2019
Actuarial valuation date	4/1/2019	6/30/2018
Interest rate	6.8%	7.10%
Salary scale	4.2%	1.90%-4.72%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System Experience
Inflation rate	2.5%	2.20%

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

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### Note 8. Pension Plans (continued)

For ERS, the Actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS	TRS
	3/31/2020	6/30/2019
Asset Type:	%	%
Domestic equity	4.05	6.30
International equity	6.15	7.80
Private equity	6.75	9.90
Real estate	4.95	4.60
Absolute return strategies	3.25	-
Domestic fixed income securities	-	1.30
Mortgages and bonds	0.75	-
Opportunistic portfolio	4.65	-
Real assets	5.95	-
Cash	-	0.30
Inflation-indexed bonds	0.50	-
Private debt	-	6.50
Global equities	-	7.20
Global bonds	-	0.90
High-yield bonds	-	3.60
Real estate debt	-	2.90

#### Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 8. Pension Plans (continued)**

applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8% for ERS and 7.10% for TRS, as well as what the Districts' proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (5.8% for ERS and 6.10% for TRS) or 1% higher (7.8% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease 5.8%	Current Assumption 6.8%	1% Increase 7.8%
Employer's proportionate share of the net pension asset (liability)	\$ (6,972,411)	\$ (3,799,095)	\$ (876,457)

TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
Employer's proportionate share of the net pension asset (liability)	\$ (11,737,020)	\$ 2,600,198	\$ 14,627,506

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:

	ERS	TRS	Total
Valuation date	3/31/2020	6/30/2019	
Employers' total pension asset/(liability)	\$ (194,596,261)	\$ (119,879,473,882)	\$ (120,074,070,143)
Plan Net Position	168,115,682	122,477,480,654	122,645,596,336
Employers' net pension asset/(liability)	<u>\$ (26,480,579)</u>	<u>\$ 2,598,006,772</u>	<u>\$ 2,571,526,193</u>
Ratio of plan net position to the			
Employers' total pension asset/ (liability)	-86.39%	102.17%	102.14%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**Note 8. Pension Plans (continued)**

June 30, 2020 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$174,462.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contribution for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$1,605,338.

**Note 9. Post-Employment Benefits (Health Insurance) Benefits**

The District provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating \$3,959,964 for 359 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

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

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

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

*Employees Covered by Benefit Terms* – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	240
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>380</u>
	<u><u>620</u></u>

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### Note 9. Post-Employment (Health Insurance) Benefits (continued)

#### B. Total OPEB Liability

The District's total OPEB liability of \$148,537,143 was measured as of July 1, 2019 and was determined by an actuarial valuation as of July 1, 2019.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary Increases	3.5 percent
Discount Rate	3.50 percent
Healthcare Cost Trend Rates	6.50 percent for 2020, decreasing annually to an ultimate rate of 3.94 percent for 2079 and later years

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2014.

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

Balance at June 30, 2019	<u>\$ 118,901,758</u>
<u>Changes for the Year-</u>	
Service Cost	3,861,280
Interest	4,693,059
Changes of benefit terms	(50,801)
Differences between expected and actual experience	17,035,235
Changes in assumptions or other inputs	7,087,372
Benefit payments	<u>(2,990,760)</u>
Net Changes	<u>29,635,385</u>
Balance at June 30, 2020	<u><u>\$ 148,537,143</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2019 to 3.50% percent in 2020.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current discount rate:

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 9. Post-Employment (Health Insurance) Benefits (continued)**

	1% Decrease <u>2.50%</u>	Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Total OPEB Liability	<u>\$ 176,229,356</u>	<u>\$ 148,537,143</u>	<u>\$ 126,561,458</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease <u>          </u>	Healthcare Cost Trend Rates <u>          </u>	1% Increase <u>          </u>
Total OPEB Liability	<u>\$ 123,813,248</u>	<u>\$ 148,537,143</u>	<u>\$ 180,808,053</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$9,186,799. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,690,341	\$ -
Changes of assumptions or other inputs	5,986,848	13,985,716
Contributions subsequent to the measurement date	<u>3,924,797</u>	<u>-</u>
Total	<u>\$ 27,601,986</u>	<u>\$ 13,985,716</u>

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

Fiscal Year Ending June 30,	<u>Amount</u>
2021	\$ 683,261
2022	683,261
2023	683,261
2024	2,424,905
2025	3,568,660
2026 and Thereafter	<u>1,648,125</u>
	<u>\$ 9,691,473</u>

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### Note 10. Assigned Fund Balance – Encumbrances

Assigned Fund Balance – Other includes year end encumbrances as follows:

<u>General Fund</u>	<u>2020</u>	<u>2019</u>
Board of Education	\$ -	\$ 567
Central Admin	493	118
Finance	153	2,761
Central Services	40,519	90,347
Instruction Admin & Improvement	-	2,341
Teaching	267,050	44,072
Programs for Children with Handicap	1,634	158
Instructional Media	3,016	2,472
Pupil Services	11,613	16,555
Pupil Transportation	216	2,616
Community Service	1,159	3,749
Employee Benefits	72,394	45,775
	<u>\$ 398,247</u>	<u>\$ 211,531</u>

### Note 11. Commitments and Contingencies

Risk Financing and Related Insurance - The Beekmantown Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, 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.

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risk reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**Note 11. Commitments and Contingencies (continued)**

The District is a defendant in several lawsuits filed under the Child Victims Act. The Plaintiffs are seeking compensatory and punitive damages of an unspecified amount against the District, as well as any other available relief available to them. At this time, an estimate of any potential or range of loss cannot be made.

The District has received Federal and State Aid/Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District believes disallowances, not previously provided for, if any, will be immaterial.

Operating Leases - The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2020 were approximately \$5,795.

Estimated future rents to be paid under this lease are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 11,590
2022	11,590
2023	11,590
2024	11,590
2025	5,795
Total	<u>\$ 52,155</u>

Litigation – The District is aware of various petitions for tax certiorari proceedings which if successful would expose the district to significant tax refunds to the landowners. A reserve for tax certiorari is established and funded for \$742,604. The District is aware of petitions totaling \$680,139.

**Note 12. Tax Abatements**

The County of Clinton entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced \$762,754. The District received Payment in Lieu of Tax (PILOT) totaling \$333,988.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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#### **Note 13. Stewardship, Compliance and Accountability**

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2020 was \$6,285,214 which represents 14.09% of next year's budget. The excess amounted to \$4,501,422.

#### **Note 14. Prior Period Information**

Comparative prior period information has been presented in summary form. This information was derived from the District's June 30, 2019 financial statements, and in our report dated September 12, 2019 we expressed an unmodified opinion.

#### **Note 15. Donated Building**

On July 11, 2019, the District, with voter approval, conveyed property, known as The Dodge Library, without consideration pursuant to Education Law Sections 405. The property had a book value of \$155,417 at the time of conveyance.

#### **Note 16. Covid-19**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Because of the pandemic, the District will be offering a mix of in-person and remote learning in the 2020-2021 school year. The District cannot reasonably estimate the length or severity of the pandemic, or the extent to which the disruption may materially impact its financial position, results of operations, or cash flows for fiscal 2021 and beyond.

Beginning with payments received subsequent to June 30, 2020, New York State began withholding 20% from all payments due the District until further notice. At this time, it is unclear whether the 20% reduction is just delayed or permanent.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**

June 30, 2020 and 2019

	Special Aid	School Lunch	<b>2020 Total</b>	2019 Total
<b>ASSETS</b>				
Unrestricted Cash	\$ 94,223	\$ 24,605	\$ 118,828	\$ 538,221
Account Receivable	13,004	3	13,007	733
State and Federal Aid Receivable	1,664,435	176,557	1,840,992	805,078
Due from Other Funds	-	-	-	1,817,301
Inventories	-	38,390	38,390	26,287
<b>Total Assets</b>	<b>\$ 1,771,662</b>	<b>\$ 239,555</b>	<b>\$ 2,011,217</b>	<b>\$ 3,187,620</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts Payable and Accrued Expenses	\$ 40,238	\$ 5,705	\$ 45,943	\$ 183,615
Unearned Revenue	26,959	-	26,959	5,007
Due to Other Funds	1,704,465	115,993	1,820,458	2,980,894
Due to Other Governments	-	4	4	29
<b>Total Liabilities</b>	<b>1,771,662</b>	<b>121,702</b>	<b>1,893,364</b>	<b>3,169,545</b>
Fund Balance:				
Nonspendable				
Inventories	-	38,390	38,390	26,287
Unassigned	-	79,463	79,463	(8,212)
<b>Total Fund Balance</b>	<b>-</b>	<b>117,853</b>	<b>117,853</b>	<b>18,075</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,771,662</b>	<b>\$ 239,555</b>	<b>\$ 2,011,217</b>	<b>\$ 3,187,620</b>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - SPECIAL REVENUE FUNDS**

**Years Ended June 30, 2020 and 2019**

	Special Aid	School Lunch	2020 Total	2019 Total
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ 490	\$ 490	\$ 187
Miscellaneous	-	3,309	3,309	6,613
State Sources	3,467,738	46,916	3,514,654	3,770,467
Federal Sources	1,084,781	1,461,885	2,546,666	2,373,003
Surplus Foods	-	101,669	101,669	90,392
Sales	-	37,920	37,920	63,360
Total Revenues	<u>4,552,519</u>	<u>1,652,189</u>	<u>6,204,708</u>	<u>6,304,022</u>
<b>EXPENDITURES</b>				
General Support	-	460,246	460,246	457,927
Pupil Transportation	27,168	-	27,168	30,449
Instruction	3,947,069	-	3,947,069	4,144,830
Employee Benefits	621,400	309,756	931,156	1,009,322
Cost of Sales	-	782,409	782,409	771,538
Total Expenditures	<u>4,595,637</u>	<u>1,552,411</u>	<u>6,148,048</u>	<u>6,414,066</u>
<b>OTHER SOURCES AND USES</b>				
Interfund Transfers In	43,118	-	43,118	101,688
Total Other Uses and Sources	<u>43,118</u>	<u>-</u>	<u>43,118</u>	<u>101,688</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	99,778	99,778	(8,356)
<b>Fund Balance, Beginning</b>	-	18,075	18,075	26,431
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ 117,853</u>	<u>\$ 117,853</u>	<u>\$ 18,075</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT  
Year Ended June 30, 2020**

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**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted budget		\$ 46,024,284
Add: Prior year's encumbrances		211,531
Gifts and donations		22,769
Insurance recoveries		107,670
		<u>341,970</u>
Final budget		<u>\$ 46,366,254</u>

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

2020-2021 expenditure budget	\$ 44,594,793
Maximum allowed (4% of 2020-21 budget)	

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

Unrestricted fund balance:		
Committed fund balance	\$ -	
Assigned fund balance	1,998,247	
Unassigned fund balance	<u>6,285,214</u>	
Total unrestricted fund balance	<u>8,283,461</u>	
Less:		
Appropriated fund balance	1,600,000	
Encumbrances included in assigned fund balance	<u>398,247</u>	
Total adjustments	<u>1,998,247</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		<u>\$ 6,285,214</u>
Actual percentage		<u>14.09%</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

**Year Ended June 30, 2020**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local Sources:				
Real Property Taxes	\$ 19,234,509	\$ 19,234,509	\$ 19,229,846	\$ (4,663)
Other Tax Items/STAR Aid	2,385,244	2,385,244	2,396,309	11,065
Charges for Services	81,000	81,000	211,633	130,633
Use of Money and Property	97,836	97,836	129,809	31,973
Sale of Property and Compensation for Loss	1,000	108,670	126,012	17,342
Miscellaneous	257,000	279,769	548,393	268,624
State Sources	22,422,695	22,422,695	23,544,365	1,121,670
Federal Sources	95,000	95,000	109,964	14,964
<b>Total Revenues</b>	<b>44,574,284</b>	<b>44,704,723</b>	<b>46,296,331</b>	<b>1,591,608</b>
Other Financing Sources				
Appropriated Reserves	150,000	361,531	-	-
	150,000	361,531	-	-
<b>Total Revenues and Appropriated Fund Balance</b>	<b>\$ 44,724,284</b>	<b>\$ 45,066,254</b>	<b>\$ 46,296,331</b>	<b>\$ 1,591,608</b>

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Budgetary Actual and Encumbrances
<b>Expenditures:</b>					
General Support:					
Board of Education	\$ 34,550	\$ 36,116	\$ 21,427	\$ -	\$ 14,689
Central Administration	294,232	294,350	264,878	493	28,979
Finance	428,047	434,894	391,713	153	43,028
Staff	219,326	183,415	141,055	-	42,360
Central Services	2,271,345	2,191,042	2,039,107	40,519	111,416
Special Items	938,252	3,028,689	3,011,204	-	17,485
Instructional:					
Administration and Improvement	1,084,971	1,138,413	1,083,101	-	55,312
Teaching - Regular School	10,803,244	10,387,335	9,825,333	267,050	294,952
Programs for Children with Handicapping Conditions	5,476,730	4,861,760	4,765,309	1,099	95,352
Teaching - Special Schools	1,034,236	986,836	963,044	535	23,257
Instructional Media	1,116,418	1,258,734	1,199,180	3,016	56,538
Pupil Service	1,900,410	1,828,204	1,700,037	11,613	116,554
Pupil Transportation	1,771,343	1,717,891	1,633,373	216	84,302
Community Service	17,174	20,924	5,391	1,159	14,374
Employee Benefits	13,410,677	12,793,229	12,669,487	72,394	51,348
Debt Service	2,758,387	2,758,851	2,758,387	-	464
<b>Total Expenditures</b>	<b>43,559,342</b>	<b>43,920,683</b>	<b>42,472,026</b>	<b>398,247</b>	<b>\$ 1,050,410</b>
<b>Other Uses:</b>					
Interfund Transfer	2,464,942	2,445,571	2,031,895	-	413,676
<b>Total Expenditures and Other Uses</b>	<b>\$ 46,024,284</b>	<b>\$ 46,366,254</b>	<b>44,503,921</b>	<b>\$ 398,247</b>	<b>1,464,086</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,300,000)</b>	<b>(1,300,000)</b>	<b>1,792,410</b>		
<b>Fund Balance - Beginning</b>	<b>11,691,234</b>	<b>11,691,234</b>	<b>11,691,234</b>		
<b>Fund Balance - Ending</b>	<b>\$ 10,391,234</b>	<b>\$ 10,391,234</b>	<b>\$ 13,483,644</b>		

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**

Year Ended June 30, 2020

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Methods of Financing			Fund Balance June 30, 2020	
							Proceeds of Obligations	State Aid	Local Sources		
<b>Construction</b>											
Energy Performance Contract	\$ 7,334,310	\$ 7,334,310	\$ 6,159,520	\$ 1,089,372	\$ 7,248,892	\$ 85,418	\$ 7,196,396	\$ -	\$ 52,496	\$ 7,248,892	\$ -
2017-2019 Project	18,025,300	18,025,300	6,878,381	8,741,339	15,619,720	2,405,580	11,228,088	-	6,984,057	18,212,145	2,592,425
Smart Schools	85,000	85,000	-	85,000	85,000	-	-	85,000	-	85,000	-
100K Project 18/19	100,000	100,000	6,860	88,938	95,798	4,202	-	-	95,798	95,798	-
	<u>25,544,610</u>	<u>25,544,610</u>	<u>13,044,761</u>	<u>10,004,649</u>	<u>23,049,410</u>	<u>2,495,200</u>	<u>18,424,484</u>	<u>85,000</u>	<u>7,132,351</u>	<u>25,641,835</u>	<u>2,592,425</u>
<b>Buses</b>											
Buses 271-274	<u>453,210</u>	<u>453,210</u>	<u>-</u>	<u>433,490</u>	<u>433,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,490</u>	<u>433,490</u>	<u>-</u>
<b>Total</b>	<u>\$ 25,997,820</u>	<u>\$ 25,997,820</u>	<u>\$ 13,044,761</u>	<u>\$ 10,438,139</u>	<u>\$ 23,482,900</u>	<u>\$ 2,495,200</u>	<u>\$ 18,424,484</u>	<u>\$ 85,000</u>	<u>\$ 7,565,841</u>	<u>\$ 26,075,325</u>	<u>\$ 2,592,425</u>

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NET INVESTMENT IN CAPITAL ASSETS**  
**Year Ended June 30, 2020**

Capital Assets, Net	\$	56,198,283
Deduct:		
Premium on bonds payable		(1,855,127)
Short-term portion of bonds payable and long-term debt		(1,270,000)
Long-term portion of bonds payable and long-term debt		(17,285,000)
Less: unspent bond proceeds		2,592,425
Net investment in capital assets	\$	<u>38,380,581</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
Year Ended June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	\$ 3,861,280	\$ 4,319,705	\$ 5,058,507
Interest	4,693,059	4,371,131	3,682,519
Changes in benefit terms	(50,801)	-	371,740
Differences between expected and actual experience	17,035,235	-	6,394,385
Changes of assumptions or other inputs	7,087,372	(5,489,673)	(19,892,126)
Benefit payments	<u>(2,990,760)</u>	<u>(2,800,051)</u>	<u>(2,534,169)</u>
Net change in total OPEB liability	29,635,385	401,112	(6,919,144)
Total OPEB liability - beginning	<u>118,901,758</u>	<u>118,500,646</u>	<u>125,419,790</u>
Total OPEB liability - Ending	<u><u>\$ 148,537,143</u></u>	<u><u>\$ 118,901,758</u></u>	<u><u>\$ 118,500,646</u></u>
Covered payroll	\$ 22,319,934	\$ 21,690,747	\$ 21,453,150
Total OPEB liability as a percentage of covered payroll	665%	548%	552%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Year Ended June 30, 2020**

NYSERS Pension Plan  
 Last 10 Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset)	0.0143467%	0.0157387%	0.0161002%	0.0147467%	0.0140758%	0.0100000%				
District's proportionate share of the net pension liability (asset)	\$ 3,799,095	\$ 1,115,136	\$ 519,624	\$ 1,385,629	\$ 2,259,199	\$ 487,825				
District's covered- employee payroll	\$ 4,491,799	\$ 4,668,260	\$ 4,718,348	\$ 4,417,626	\$ 4,232,977	\$ 3,814,252				
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	84.58%	23.89%	11.01%	31.37%	53.37%	12.79%				
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%				

\* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**Year Ended June 30, 2020**

NYSERS Pension Plan  
 Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 631,915	\$ 630,352	\$ 618,893	\$ 593,577	\$ 643,813	\$ 645,261	681,796	591,933	644,889	378,075
Contributions in relation to the contractually required contribution	\$ 631,915	\$ 630,352	\$ 618,893	\$ 593,577	\$ 643,813	\$ 645,261	681,796	591,933	644,889	378,075
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 4,491,799	\$ 4,668,260	\$ 4,718,348	\$ 4,417,626	\$ 4,232,977	\$ 3,814,252				
Contributions as a percentage of covered-employee payroll	14.1%	13.5%	13.1%	13.4%	15.2%	16.9%				

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Year Ended June 30, 2020**

NYSTRS Pension Plan  
Last 10 Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset)	-0.100084%	-0.099346%	-0.095939%	0.095350%	-0.086853%	-0.084388%	-0.086299%			
District's proportionate share of the net pension liability (asset)	\$ (2,600,198)	\$ (1,796,435)	\$ (729,230)	\$ 1,021,243	\$ (9,021,301)	\$ (9,400,275)	\$ (568,067)			
District's covered- employee payroll	\$ 17,144,875	\$ 16,806,113	\$ 16,213,126	\$ 15,268,272	\$ 14,876,763	\$ 12,161,910				
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.17%	-10.69%	-4.50%	6.69%	-60.64%	-77.29%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.48%				

\* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**Year Ended June 30, 2020**

NYSTRS Pension Plan  
 Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,774,146	\$ 1,585,868	\$ 1,781,808	\$ 1,951,014	\$ 2,287,062	\$ 2,025,626	1,496,689	-	-	-
Contributions in relation to the contractually required contribution	\$ 1,774,146	\$ 1,585,868	\$ 1,781,808	\$ 1,951,014	\$ 2,287,062	\$ 2,025,626	1,496,689	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 17,144,875	\$ 16,806,113	\$ 16,213,126	\$ 15,268,272	\$ 14,876,763	\$ 12,161,910				
Contributions as a percentage of covered-employee payroll	10.35%	9.44%	10.99%	12.78%	15.37%	16.66%				

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Pass-Through New York State Department of Education:			
Special Education Cluster:			
IDEA - Part B, Section 611	84.027	0032-20-0133	\$ 524,356
IDEA - Part B, Section 619	84.173	0033-20-0133	34,559
Total Special Education Cluster			<u>558,915</u>
Title I PT A Imprv Acad Achmt F/Disad	84.010	0021-20-0480	466,965
Title I PT D Neglected & Delinquent	84.010	0016-20-0480	6,499
Title II, Part A	84.367	0147-20-0480	38,794
Title IV SSAE Allocation	84.424	0204-20-0480	13,608
<b>Total Department of Education</b>			<u><u>1,084,781</u></u>
<b>U.S. Department of Agriculture</b>			
Pass-through New York State Department of Education			
National School Lunch Program- cash	10.555		588,477
National School Lunch Program- commodities	10.555		101,669
School Breakfast Program	10.553		239,389
Summer Food Service Program	10.559		634,019
Total Child Nutrition Cluster			<u>1,563,554</u>
<b>Total Department of Agriculture</b>			<u>1,563,554</u>
<b>Total Federal Assistance Expended</b>			<u><u>\$ 2,648,335</u></u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2020**

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**Note 1. Summary of Certain Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

# ***BOULRICE & WOOD CPAS, P.C.***

***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

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

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

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 the *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beekmantown Central School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Beekmantown Central School District's basic financial statements and have issued our report thereon dated September 17, 2020.

### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Beekmantown Central School Districts financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 the internal control exists 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. The findings are referenced as 20-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beekmantown Central School District's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 20-001.

### **District's Response to Findings**

Beekmantown Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Beekmantown Central School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Boulrice & Wood CPAs, PC*

September 17, 2020

# ***BOULRICE & WOOD CPAS, P.C.***

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## ***Certified Public Accountants***

***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

#### **Report on Compliance for Each Major Federal Program**

We have audited Beekmantown Central School District's compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on Beekmantown Central School District's major federal programs for the year ended June 30, 2020. Beekmantown Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

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

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

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

## **Opinion on Each Major Federal Program**

In our opinion, Beekmantown Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

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

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

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

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

*Boubrice & Wood CPAs, PC*

September 17, 2020

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2020**

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**SECTION I - SUMMARY OF AUDIT RESULTS**

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes      \_\_\_\_\_ none

Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiencies identified not considered to be a material weakness? \_\_\_\_\_ yes        X   none

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) \_\_\_\_\_ yes        X   no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program- cash
10.555	National School Lunch Program- commodities
10.553	School Breakfast Program
10.559	Summer Food Service Program

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

Auditee qualified as low-risk Auditee?   X   yes      \_\_\_\_\_ no

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2020**

**20-001 Excess Fund Balance**

Condition: The District's unassigned general fund balance was 14.09% of next year's budget.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Effect: The District's unassigned general fund balance was 10.09%, or \$4,501,422 over the amount allowable by law.

Recommendation: We recommend the District keep in mind this law when preparing next year's budget.

Corrective action: The district acknowledges and agrees the June 30, 2020 level of unassigned general fund balance is \$6,285,214. The balance equates to 14.09% of the ensuing budget which exceeds the NYSED allowable 4% level.

The Board of Education will continue to apply a comprehensive multiyear approach to manage unassigned general fund balance levels at statutory limits. The Board of Education supports appropriating and adjusting fund balance in a methodical and disciplined multiyear approach balancing educational mandates, student needs and learning opportunities with consistent fiscal management utilizing taxpayer funds in a prudent manner to avoid unnecessary "tax rate spikes", while complying with tax levy limit restrictions.

The Board of Education has consistently demonstrated financial stability and fiscal prudence on behalf of taxpayers. Tax rate stability can be evidenced by consistent and reasonable tax rate levels over consecutive years as evidenced by benchmarking the 2005-2006 Tax Rate of \$18.08 per thousand as compared to the 2019-2020 tax rate of \$17.72 per thousand reflecting rates \$0.36 per thousand lower after 13 school years.

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**SECTION III - MAJOR FEDERAL AWARDS**

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**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2020**

There were no prior year audit findings.

# ***BOULRICE & WOOD CPAS, P.C.***

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## ***Certified Public Accountants***

***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT**

To the School Board  
Beekmantown Central School District  
West Chazy, New York 12992

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Beekmantown Central School District as of and for the year ended June 30, 2020, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

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

Our responsibility is to express an opinion 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 minimum program procedures established by the New York State Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Beekmantown Central School District as of June 30, 2020, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Boulrice & Wood CPAs, PC*

September 17, 2020

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS**

**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 125,927</u>	<u>\$ 112,742</u>
<b>Total Assets</b>	<u><u>\$ 125,927</u></u>	<u><u>\$ 112,742</u></u>
 <b>LIABILITIES</b>		
Sales Tax Payable	\$ 1,414	\$ 2,435
 <b>FUND BALANCE</b>		
Extraclassroom Activity	<u>124,513</u>	<u>110,307</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 125,927</u></u>	<u><u>\$ 112,742</u></u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES-  
CASH BASIS**

**Year Ended June 30, 2020 and 2019**

Activity	Balance 6/30/2019	Receipts	Disbursements	Balance 6/30/2020
Class of 2020	\$ 8,166	\$ 6,868	\$ 8,391	\$ 6,643
Class of 2021	11,234	7,679	3,971	14,942
Class of 2022	7,392	4,271	1,323	10,340
Class of 2023	5,330	1,405	342	6,393
Class of 2024	3,381	5,993	3,954	5,420
Class of 2025	2,744	4,565	2,394	4,915
Class of 2026	-	5,592	3,920	1,672
NYS Tax Account	2,435	3,929	4,947	1,417
H.S. Student Council	22,685	38,617	42,348	18,954
M.S. Student Council	3,155	918	405	3,668
Varsity Club	7,116	7	3,704	3,419
H.S. Yearbook Club	3,336	795	-	4,131
M.S. Yearbook	3,043	1,388	2,906	1,525
M.S. Drama Club	4,416	9	-	4,425
H.S. Drama Club	4,885	10	-	4,895
Model UN	1,389	4,553	4,424	1,518
National Honor Society	3,835	11,427	12,822	2,440
National Jr Honor Society	593	-	-	593
BCS Fitness Club	219	-	-	219
Beek Squad	7,325	17,225	7,546	17,004
FBLA	8,419	12,547	10,913	10,053
FFA	955	4,595	4,817	733
Interest Income	689	-	81	608
Total	<u>\$ 112,742</u>	<u>\$ 127,798</u>	<u>\$ 119,208</u>	<u>\$ 125,927</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Summary of Significant Accounting Policies**

Basis of Accounting: The books and records of the Beekmantown Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Beekmantown Central School 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. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.