

**CALEDONIA-MUMFORD
CENTRAL SCHOOL DISTRICT, NEW YORK**

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2021



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

TABLE OF CONTENTS

| | Pages |
|---|--------------|
| Independent Auditors' Report | 1 - 3 |
| Management's Discussion and Analysis (Unaudited) | 4 - 11 |
| Basic Financial Statements: | |
| Statement of Net Position | 12 |
| Statement of Activities and Changes in Net Position | 13 |
| Balance Sheet - Governmental Funds | 14 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 15 |
| Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities | 16 |
| Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position | 17 |
| Notes to the Basic Financial Statements: | 18 - 47 |
| Required Supplementary Information: | |
| Schedule of Changes in District's Total OPEB Liability and Related Ratio | 48 |
| Schedule of the District's Proportionate Share of the Net Pension Liability | 49 |
| Schedule of District Contributions | 50 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund | 51 - 52 |
| Supplementary Information: | |
| Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit - General Fund | 53 |
| Schedule of Capital Projects Fund - Project Expenditures and Financing Resources | 54 |
| Combining Balance Sheet - Nonmajor Governmental Funds | 55 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 56 |
| Net Investment in Capital Assets | 57 |
| Schedule of Expenditures of Federal Awards | 58 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 59 - 60 |

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Caledonia-Mumford Central School District, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-11 and 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021 on our consideration of the Caledonia-Mumford Central School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caledonia-Mumford Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York
September 24, 2021

Mengel, Metzger, Barz & Co. LLP

Caledonia-Mumford Central School District, New York

Management's Discussion and Analysis (MD&A)

June 30, 2021

Introduction

Our discussion and analysis of the Caledonia-Mumford Central School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2021. It should be read in conjunction with the basic financial statements to enhance understanding of the School District's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$760,775 and this amount was within the statutory limit.
- The School District's governmental fund financial statements report a combined ending fund balance of \$5,647,891, An increase of \$1,680,340 over the prior year. This increase was due to conservative budgeting and savings from the state-mandated COVID-19 shutdown.
- On the government-wide financial statements, the assets of the School District exceeded liabilities by \$21,537,665. The School District's total Net Position decreased by \$673,075 for the year ended June 30, 2021.

Overview of the Financial Statements

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

Government-Wide Financial Statements

- The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
- The statement of Net Position presents information on all of the School District's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

- The statement of activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The governmental activities of the School District include instruction, pupil transportation, cost of food sales and general administrative support.

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

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.
- The School District maintains five individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, special aid fund, and capital projects fund which are reported as major funds. Data for the school lunch fund and the debt service fund are aggregated into a single column as nonmajor funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity, which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

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

Notes to the Financial Statements

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

Government-Wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of the School District’s financial position. In the case of the Caledonia-Mumford Central School District, New York, assets exceeded liabilities by \$20,526,191 at the close of the current fiscal year.

Net Position

| | <u>Governmental Activities</u> | | <u>Total</u> |
|--|--------------------------------|----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>Variance</u> |
| <u>ASSETS:</u> | | | |
| Current and Other Assets | \$ 7,146,222 | \$ 6,935,363 | \$ 210,859 |
| Capital Assets | 26,473,253 | 27,690,684 | (1,217,431) |
| Total Assets | \$ 33,619,475 | \$ 34,626,047 | \$ (1,006,572) |
| <u>DEFERRED OUTFLOW OF RESOURCES:</u> | | | |
| Deferred Outflow of Resources | \$ 4,585,832 | \$ 4,076,412 | \$ 509,420 |
| <u>LIABILITIES:</u> | | | |
| Long-Term Debt Obligations | \$ 13,207,691 | \$ 13,048,764 | \$ 158,927 |
| Other Liabilities | 1,345,553 | 2,949,458 | (1,603,905) |
| Total Liabilities | \$ 14,553,244 | \$ 15,998,222 | \$ (1,444,978) |
| <u>DEFERRED INFLOW OF RESOURCES:</u> | | | |
| Deferred Inflow of Resources | \$ 2,114,398 | \$ 1,839,647 | \$ 274,751 |
| <u>NET POSITION:</u> | | | |
| Net Investment in Capital Assets | \$ 16,884,570 | \$ 16,834,314 | \$ 50,256 |
| <u>Restricted For,</u> | | | |
| Reserve for ERS | 584,358 | 584,114 | 244 |
| Unemployment Reserve | 583,698 | 216,811 | 366,887 |
| Capital Reserves | 1,446,621 | 89,068 | 1,357,553 |
| Other Purposes | 1,601,522 | 1,502,481 | 99,041 |
| Unrestricted | 436,896 | 1,637,802 | (1,200,906) |
| Total Net Position | \$ 21,537,665 | \$ 20,864,590 | \$ 673,075 |

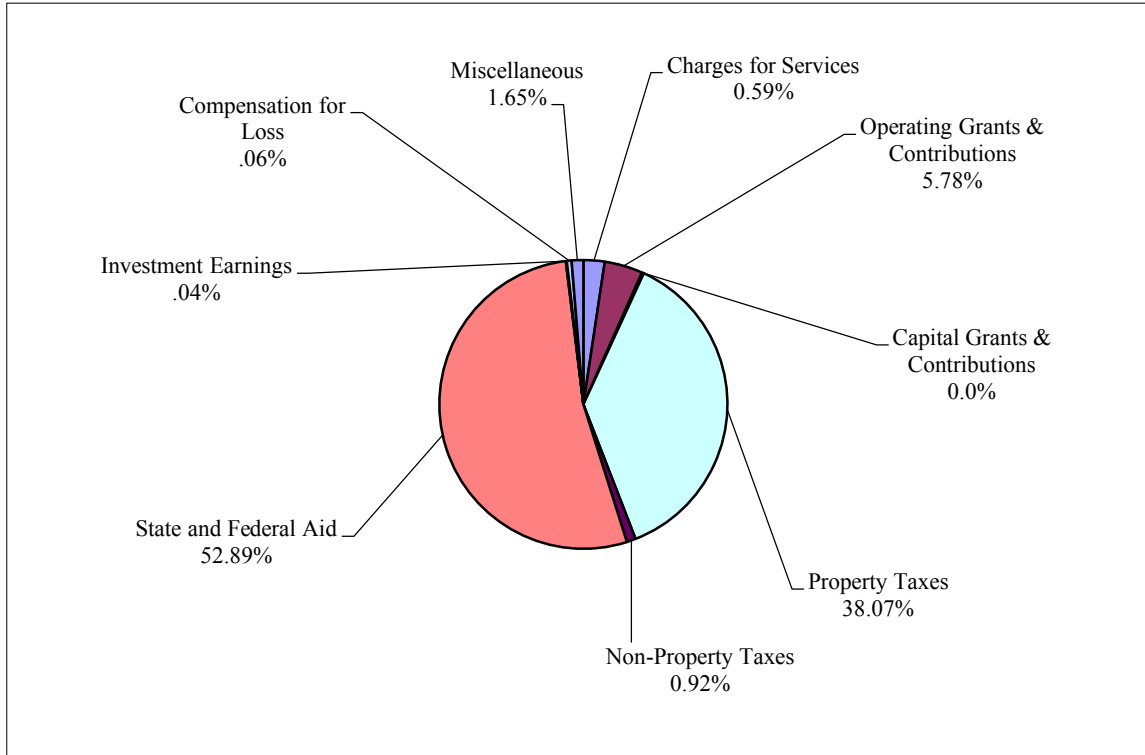
One of the components of the School District's Net Position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not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

Changes in Net Position

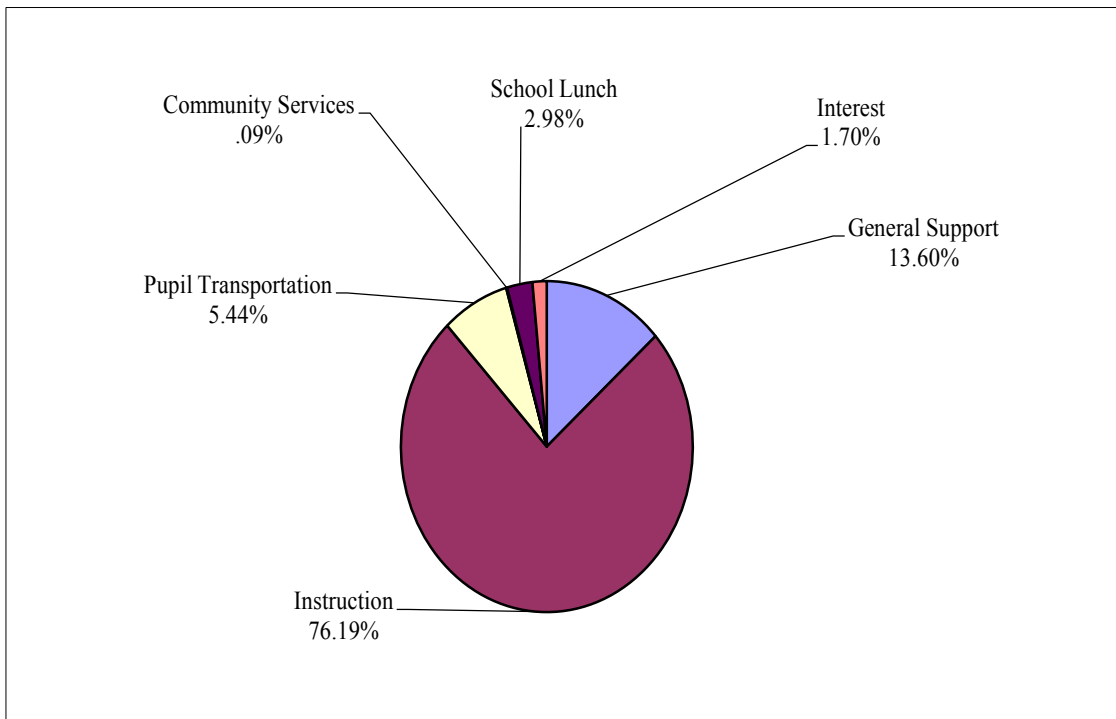
| | <u>Governmental Activities</u> | | Total Percentage Change |
|-------------------------------------|--------------------------------|-----------------------------|--|
| | <u>2021</u> | <u>2020</u> | |
| REVENUES: | | | |
| <u>Program -</u> | | | |
| Charges for Services | \$ 132,916 | \$ 266,211 | -50.07% |
| Operating Grants & Contributions | 1,013,421 | 718,805 | 40.99% |
| Capital Grants & Contributions | 87,666 | - | 100.00% |
| Total Program | <u>\$ 1,234,003</u> | <u>\$ 985,016</u> | 25.28% |
| <u>General -</u> | | | |
| Property Taxes | \$ 7,366,495 | \$ 7,213,737 | 2.12% |
| Non-Property Taxes | 178,462 | 213,031 | -16.23% |
| State and Federal Aid | 10,234,546 | 10,229,784 | 0.05% |
| Investment Earnings | 7,853 | 13,938 | -43.66% |
| Compensation for Loss | 11,432 | 13,210 | -13.46% |
| Miscellaneous | 319,049 | 182,587 | 74.74% |
| Total General | <u>\$ 18,117,837</u> | <u>\$ 17,866,287</u> | 1.41% |
| TOTAL REVENUES | <u>\$ 19,351,840</u> | <u>\$ 18,851,303</u> | 2.66% |
| EXPENSES: | | | |
| General Support | \$ 2,541,169 | \$ 2,849,034 | -10.81% |
| Instruction | 14,231,477 | 14,084,191 | 1.05% |
| Pupil Transportation | 1,016,087 | 1,156,564 | -12.15% |
| Community Services | 16,624 | 19,362 | -14.14% |
| School Lunch | 556,297 | 536,090 | 3.77% |
| Interest on Long-Term Debt | 317,111 | 325,010 | -2.43% |
| TOTAL EXPENSES | <u>\$ 18,678,765</u> | <u>\$ 18,970,251</u> | -1.54% |
| NET INCREASE IN NET POSITION | <u>\$ 673,075</u> | <u>\$ (118,948)</u> | -665.86% |

Governmental activities increased the School District's Net Position by \$673,075. As indicated on the following graphs, the School District relies upon State and Federal Aid as its primary revenue source. The School District's instruction costs account for 76% of its expenses.

Sources of Revenue for Fiscal Year 2021 -Governmental Activities



Program Expenses for Fiscal Year 2021-Governmental Activities



Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the School District's governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$5,647,891, an increase of \$1,680,340 over the prior year. Of the total combined fund balances, \$966,355 constitutes assigned fund balance, of which \$365,000 has been designated for subsequent year's expenditures and represents the amount estimated for use in the 2021-22 budget. The remaining assigned fund balance is made up of encumbrances and fund balance in the school lunch fund. The unassigned balance in the general fund of \$760,775 is available for spending at the School District's discretion. The negative fund balance in the capital fund of \$313,217 is due to the issuance of BANs for bus purchases. The remainder of fund balance is restricted to indicate that is not available for new spending because it has already been committed. These reserves include a reserve for retirement contribution of \$584,358, a reserve for unemployment of \$583,698, a reserve for future capital projects and equipment of \$1,446,621, a reserve for tax certiorari of \$108,799, a reserve for liability claims of \$366,449, a reserve for employee benefit accrued liability of \$287,127, a reserve for scholarships of \$133,278, a reserve for TRS of \$340,600, and a reserve for debt of \$365,269.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$5,395,104, of which \$760,775, or 4.00% of the ensuing year's budget was unreserved and undesignated. As previously mentioned, New York State Law limits the amount of unreserved fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$499,197, which represents \$499,197 for prior year encumbrances.

Capital Assets

At June 30, 2021 the School District had \$26,473,253 net of accumulated depreciation invested in a broad range of capital assets, including land, improvements other than buildings, buildings and improvements and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

| | <u>2021</u> | <u>2020</u> |
|----------------------------|-----------------------------|-----------------------------|
| Land | \$ 26,149 | \$ 26,149 |
| Buildings and Improvements | 25,141,180 | 26,297,577 |
| Machinery and Equipment | <u>1,305,924</u> | <u>1,366,958</u> |
| Total | <u>\$ 26,473,253</u> | <u>\$ 27,690,684</u> |

More detailed information about the School District's capital assets is presented in the notes to the financial statements.

Long- Term Debt

At June 30, 2021, the School District had \$13,207,691 in general obligation and other long-term debt outstanding, as follows:

| <u>Type</u> | <u>2021</u> | <u>2020</u> |
|------------------------------------|-----------------------------|-----------------------------|
| Serial Bonds | \$ 8,895,000 | \$ 10,135,000 |
| Unamortized Bond Premium | 380,466 | 446,254 |
| Compensated Absences | 859,940 | 878,438 |
| Net Pension Liability | 1,018,815 | 1,151,010 |
| OPEB | <u>2,053,470</u> | <u>2,007,439</u> |
| Total Long-Term Obligations | <u>\$ 13,207,691</u> | <u>\$ 14,618,141</u> |

Factors Bearing on the District's Future

The tax cap and the financial condition of NYS continue to be large areas of concern, especially with the recent shutdown due to COVID-19 pandemic.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Jeremy Nardone, Business Administrator
Caledonia-Mumford Central School
99 North Street
Caledonia, NY 14423

CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2021

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 5,808,210 |
| Accounts receivable | 1,320,233 |
| Inventories | 17,779 |
| Capital Assets: | |
| Land | 26,149 |
| Other capital assets (net of depreciation) | 26,447,104 |
| TOTAL ASSETS | <u>\$ 33,619,475</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources | <u>\$ 4,585,832</u> |
| LIABILITIES | |
| Accounts payable | \$ 72,112 |
| Accrued liabilities | 122,227 |
| Unearned revenues | 10,081 |
| Due to other governments | 51,380 |
| Due to teachers' retirement system | 611,148 |
| Due to employees' retirement system | 77,725 |
| Bond anticipation notes payable | 314,000 |
| Other Liabilities | 86,880 |
| Long-Term Obligations: | |
| Due in one year | 1,628,013 |
| Due in more than one year | 11,579,678 |
| TOTAL LIABILITIES | <u>\$ 14,553,244</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources | <u>\$ 2,114,398</u> |
| NET POSITION | |
| Net investment in capital assets | \$ 16,884,570 |
| Restricted For: | |
| Reserve for employee retirement system | 584,358 |
| Unemployment insurance reserve | 583,698 |
| Capital reserves | 1,446,621 |
| Other purposes | 1,601,522 |
| Unrestricted | 436,896 |
| TOTAL NET POSITION | <u><u>\$ 21,537,665</u></u> |

(See accompanying notes to financial statements)

CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2021

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense)</u> |
|---|-----------------------------|--------------------------|----------------------------|-------------------------|-------------------------------|
| | | <u>Charges for</u> | <u>Operating</u> | <u>Capital</u> | <u>Revenue and</u> |
| | | <u>Services</u> | <u>Grants and</u> | <u>Grants and</u> | <u>Changes in</u> |
| | | | <u>Contributions</u> | <u>Contributions</u> | <u>Net Position</u> |
| | | | | | <u>Governmental</u> |
| | | | | | <u>Activities</u> |
| <u>Primary Government -</u> | | | | | |
| General support | \$ 2,541,169 | \$ - | \$ - | \$ - | \$ (2,541,169) |
| Instruction | 14,231,477 | 115,502 | 565,224 | 87,666 | (13,463,085) |
| Pupil transportation | 1,016,087 | - | - | - | (1,016,087) |
| Community services | 16,624 | - | - | - | (16,624) |
| School lunch | 556,297 | 17,414 | 448,197 | - | (90,686) |
| Interest | 317,111 | - | - | - | (317,111) |
| Total Primary Government | <u>\$ 18,678,765</u> | <u>\$ 132,916</u> | <u>\$ 1,013,421</u> | <u>\$ 87,666</u> | <u>\$ (17,444,762)</u> |
| General Revenues: | | | | | |
| Property taxes | | | | | \$ 7,366,495 |
| Non property taxes | | | | | 178,462 |
| State and federal aid | | | | | 10,234,546 |
| Investment earnings | | | | | 7,853 |
| Compensation for loss | | | | | 11,432 |
| Miscellaneous | | | | | 319,049 |
| Total General Revenues | | | | | <u>\$ 18,117,837</u> |
| Changes in Net Position | | | | | \$ 673,075 |
| Net Position, Beginning of Year (restated) | | | | | <u>20,864,590</u> |
| Net Position, End of Year | | | | | <u>\$ 21,537,665</u> |

CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2021

| | General Fund | Special Aid Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------------|---------------------------------|--------------------------------------|--|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 3,108,957 | \$ 221,605 | \$ 274,182 | \$ 550,759 | \$ 4,155,503 |
| Restricted cash and cash equivalents | 1,652,707 | - | - | - | 1,652,707 |
| Receivables | 928,788 | 200,323 | 87,666 | 103,456 | 1,320,233 |
| Inventories | - | - | - | 17,779 | 17,779 |
| Due from other funds | 1,069,193 | 335,628 | 103,314 | 56,079 | 1,564,214 |
| TOTAL ASSETS | \$ 6,759,645 | \$ 757,556 | \$ 465,162 | \$ 728,073 | \$ 8,710,436 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities - | | | | | |
| Accounts payable | \$ 72,112 | \$ - | \$ - | \$ - | \$ 72,112 |
| Accrued liabilities | 104,071 | - | - | 5,302 | 109,373 |
| Notes payable - bond anticipation notes | - | - | 314,000 | - | 314,000 |
| Due to other funds | 195,693 | 757,556 | 464,379 | 146,586 | 1,564,214 |
| Due to other governments | 51,280 | - | - | 100 | 51,380 |
| Due to TRS | 611,148 | - | - | - | 611,148 |
| Due to ERS | 77,725 | - | - | - | 77,725 |
| Other liabilities | 86,880 | - | - | - | 86,880 |
| Compensated absences | 65,632 | - | - | - | 65,632 |
| Unearned revenue | - | - | - | 10,081 | 10,081 |
| TOTAL LIABILITIES | \$ 1,264,541 | \$ 757,556 | \$ 778,379 | \$ 162,069 | \$ 2,962,545 |
| Deferred Inflows - | | | | | |
| Deferred inflows of resources | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |
| Fund Balances - | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ 17,779 | \$ 17,779 |
| Restricted | 3,717,652 | - | - | 498,547 | 4,216,199 |
| Assigned | 916,677 | - | - | 49,678 | 966,355 |
| Unassigned | 760,775 | - | (313,217) | - | 447,558 |
| TOTAL FUND BALANCE | \$ 5,395,104 | \$ - | \$ (313,217) | \$ 566,004 | \$ 5,647,891 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 6,759,645 | \$ 757,556 | \$ 465,162 | \$ 728,073 | |

**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 26,473,253

Interest is accrued on outstanding bonds in the statement of net position but not in the funds. (12,854)

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

| | |
|--|----------------------|
| Serial bonds payable | (8,895,000) |
| OPEB | (2,053,470) |
| Compensated absences | (794,308) |
| Unamortized bond premium | (380,466) |
| Deferred outflow - pension | 4,571,921 |
| Deferred outflow - OPEB | 13,911 |
| Net pension liability | (1,018,815) |
| Deferred inflow - pension | (1,734,624) |
| Deferred inflow - OPEB | (279,774) |
| Net Position of Governmental Activities | \$ 21,537,665 |

CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For The Year Ended June 30, 2021

| | General Fund | Special Aid Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------------|---------------------------------|--------------------------------------|--|---|
| REVENUES | | | | | |
| Real property taxes and tax items | \$ 7,366,495 | \$ - | \$ - | \$ - | \$ 7,366,495 |
| Non-property taxes | 178,462 | - | - | - | 178,462 |
| Charges for services | 115,502 | - | - | - | 115,502 |
| Use of money and property | 5,801 | - | - | 2,052 | 7,853 |
| Sale of property and compensation for loss | 11,432 | - | - | - | 11,432 |
| Miscellaneous | 318,814 | - | - | 235 | 319,049 |
| State sources | 10,460,586 | 181,585 | 87,666 | 15,181 | 10,745,018 |
| Federal sources | 201,285 | 383,639 | - | 433,016 | 1,017,940 |
| Sales | - | - | - | 17,414 | 17,414 |
| TOTAL REVENUES | \$ 18,658,377 | \$ 565,224 | \$ 87,666 | \$ 467,898 | \$ 19,779,165 |
| EXPENDITURES | | | | | |
| General support | \$ 2,139,127 | \$ - | \$ - | \$ - | \$ 2,139,127 |
| Instruction | 9,111,444 | 574,520 | - | - | 9,685,964 |
| Pupil transportation | 654,339 | - | 124,217 | - | 778,556 |
| Community services | 12,547 | - | - | - | 12,547 |
| Employee benefits | 3,178,512 | 23,307 | - | 56,646 | 3,258,465 |
| Debt service - principal | 100,000 | - | - | 1,240,000 | 1,340,000 |
| Debt service - interest | 3,314 | - | - | 384,146 | 387,460 |
| Cost of sales | - | - | - | 213,536 | 213,536 |
| Other expenses | - | - | - | 181,620 | 181,620 |
| Capital outlay | - | - | 201,550 | - | 201,550 |
| TOTAL EXPENDITURES | \$ 15,199,283 | \$ 597,827 | \$ 325,767 | \$ 2,075,948 | \$ 18,198,825 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 3,459,094 | \$ (32,603) | \$ (238,101) | \$ (1,608,050) | \$ 1,580,340 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers - in | \$ - | \$ 32,603 | \$ 100,000 | \$ 1,607,126 | \$ 1,739,729 |
| Transfers - out | (1,739,729) | - | - | - | (1,739,729) |
| BAN's redeemed from appropriations | - | - | 100,000 | - | 100,000 |
| TOTAL OTHER FINANCING SOURCES (USES) | \$ (1,739,729) | \$ 32,603 | \$ 200,000 | \$ 1,607,126 | \$ 100,000 |
| NET CHANGE IN FUND BALANCE | \$ 1,719,365 | \$ - | \$ (38,101) | \$ (924) | \$ 1,680,340 |
| FUND BALANCE, BEGINNING OF YEAR (restated) | 3,675,739 | - | (275,116) | 566,928 | 3,967,551 |
| FUND BALANCE, END OF YEAR | \$ 5,395,104 | \$ - | \$ (313,217) | \$ 566,004 | \$ 5,647,891 |

(See accompanying notes to financial statements)

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

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 1,680,340

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

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

| | | |
|--------------------------|--------------------|-------------|
| Capital Outlay | \$ 201,550 | |
| Additions to Assets, Net | 172,649 | |
| Depreciation | <u>(1,591,630)</u> | (1,217,431) |

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

| | | |
|------------------------------|---------------|-----------|
| Debt Repayments | \$ 1,340,000 | |
| Proceeds from BAN Redemption | (100,000) | |
| Unamortized Bond Premium | <u>65,788</u> | 1,305,788 |

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,561

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (427,325)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 2,725

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

| | | |
|------------------------------|--|-----------|
| Teachers' Retirement System | | (814,037) |
| Employees' Retirement System | | 112,964 |

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

| | | |
|----------------------|--|---------------|
| Compensated Absences | | <u>25,490</u> |
|----------------------|--|---------------|

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 673,075**
(See accompanying notes to financial statements)

CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2021

| | Custodial Funds |
|---|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 113,750 |
| TOTAL ASSETS | \$ 113,750 |
| | |
| NET POSITION | |
| Restricted for individuals, organizations and other governments | \$ 113,750 |
| TOTAL NET POSITION | \$ 113,750 |

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2021

| | Custodial Funds |
|---|----------------------------|
| ADDITIONS | |
| Gifts and Donations | \$ 46,607 |
| Library Taxes | 30,000 |
| TOTAL ADDITIONS | \$ 76,607 |
| | |
| DEDUCTIONS | |
| Student Activity | \$ 53,896 |
| Library Taxes | 30,000 |
| TOTAL DEDUCTIONS | \$ 83,896 |
| | |
| CHANGE IN NET POSITION | \$ (7,289) |
| | |
| NET POSITION, BEGINNING OF YEAR (restated) | 121,039 |
| | |
| NET POSITION, END OF YEAR | \$ 113,750 |

CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2021

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

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

(I.) (Continued)

B. Joint Venture

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

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

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

During the year, the District was billed \$2,563,458 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,265,049.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

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

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

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

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

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

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

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 20, 2020. Taxes are collected during the period September 1 to October 31, 2020.

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

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

(I.) (Continued)

J. Receivables

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

K. Inventory and Prepaid Items

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

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

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

L. Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

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

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

(I.) (Continued)

M. Unearned Revenue

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

N. Deferred Outflows and Inflows of Resources

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

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

O. Vested Employee Benefits

1. Compensated Absences

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

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

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

P. Other Benefits

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

(I.) (Continued)

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

Q. Short-Term Debt

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

R. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

S. Equity Classifications

1. District-Wide Statements

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

- a. Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- b. Restricted Net Position** - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

(I.) (Continued)

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

| | |
|---|-----------------------------------|
| | <u>Total</u> |
| Retirement Contribution - TRS | \$ 340,600 |
| Tax Certiorari | 108,799 |
| Scholarships | 133,278 |
| Debt | 365,269 |
| Liability | 366,449 |
| Employee Benefit Accrued Liability | <u>287,127</u> |
| Total Net Position - Restricted for Other Purposes | <u><u>\$ 1,601,522</u></u> |

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance include the following:

| | |
|--|--------------------------------|
| | <u>Total</u> |
| Inventory in School Lunch | \$ 17,779 |
| Total Nonspendable Fund Balance | <u><u>\$ 17,779</u></u> |

b. **Restricted Fund Balances** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

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

(I.) (Continued)

| <u>Name of Reserve</u> | <u>Maximum Funding</u> | <u>Total Funding Provided</u> | <u>Total Year to Date Balance</u> |
|-----------------------------------|----------------------------|-----------------------------------|---|
| 2017 Capital Reserve | \$ 2,000,000 | \$ 1,999,284 | \$ 1,061,700 |
| Vehicle/Equipment Reserve 2013 | \$ 500,000 | \$ 494,640 | \$ 384,921 |

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

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

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

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

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

(I.) (Continued)

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

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

Restricted fund balances include the following:

| | <u>Total</u> |
|--|-----------------------------------|
| <u>General Fund -</u> | |
| Unemployment Costs | \$ 583,698 |
| Retirement Contribution - ERS | 584,358 |
| Retirement Contribution - TRS | 340,600 |
| Tax Certiorari | 108,799 |
| Liability | 366,449 |
| Capital Reserves | 1,446,621 |
| Employee Benefit Accrued Liability | 287,127 |
| <u>Miscellaneous Special Revenue Fund</u> | |
| Scholarships | 133,278 |
| <u>Debt Service Fund -</u> | |
| Debt Service | 365,269 |
| Total Restricted Fund Balance | <u><u>\$ 4,216,199</u></u> |

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

(I.) (Continued)

Management has determined significant encumbrances for the General Fund to be \$29,000.

| | |
|--|---------------------------------|
| <u>General Fund -</u> | |
| Central Services | \$ 147,299 |
| Teaching-Regular School | 77,820 |
| Instructional Media | 272,990 |
| Pupil Services | 53,479 |
| Total General Fund Significant Encumbrances | <u><u>\$ 551,588</u></u> |

Assigned fund balances include the following:

| | |
|---------------------------------------|---------------------------------|
| | <u>Total</u> |
| General Fund - Encumbrances | \$ 551,677 |
| General Fund - Appropriated for Taxes | 365,000 |
| School Lunch Fund - Year End Equity | 49,678 |
| Total Assigned Fund Balance | <u><u>\$ 966,355</u></u> |

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

3. Order of Use of Fund Balance

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

T. New Accounting Standards

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

GASB has issued Statement 84, *Fiduciary Activities*.

(I.) (Continued)

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

U. Future Changes in Accounting Standards

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

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

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

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

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

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

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

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

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

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

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

II. Restatement of Net Position

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

| | <u>Government-Wide</u> <u>Statements</u> | <u>Governmental</u> <u>Funds</u> | <u>Fiduciary</u> <u>Funds</u> |
|--|---|-------------------------------------|----------------------------------|
| Net position beginning of year, as previously stated | \$ 20,724,668 | \$ 3,827,629 | \$ 139,922 |
| Adjustments for activities previously recorded in Agency Fund: | | | |
| Student Activity Balance | - | - | 121,039 |
| Adjustments for activities previously recorded in Private Purpose Trust: | | | |
| Scholarships | 139,922 | 139,922 | (139,922) |
| Net position beginning of year, as restated | <u>\$ 20,864,590</u> | <u>\$ 3,967,551</u> | <u>\$ 121,039</u> |

III. Changes in Accounting Principles

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

IV. Stewardship, Compliance and Accountability

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

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. In the current year the budget was increased \$499,197 for prior year encumbrances.

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

(Iv.) (Continued)

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

B. Encumbrances

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

C. Deficit Fund Balance-Capital Projects Fund

The Capital Projects Fund had a deficit undesignated fund balance of \$313,217 at June 30, 2021, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

V. Cash and Cash Equivalents

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

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

Interest Rate Risk – The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

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

| | | |
|--|-----------|-------------------------|
| Uncollateralized | \$ | - |
| Collateralized with Securities held by the Pledging Financial Institution | | 5,527,184 |
| Total | \$ | <u>5,527,184</u> |

(V.) (Continued)

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$4,216,199 within the governmental funds and \$113,750 in the fiduciary funds.

VI. Receivables

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

| <u>Description</u> | <u>Governmental Activities</u> | | | | <u>Total</u> |
|----------------------------|--------------------------------|-------------------------|------------------------------|--------------------------|---------------------|
| | <u>General Fund</u> | <u>Special Aid Fund</u> | <u>Capital Projects Fund</u> | <u>School Lunch Fund</u> | |
| Accounts Receivable | \$ 66,867 | \$ - | \$ - | \$ 5,603 | \$ 72,470 |
| Due From State and Federal | 449,945 | 200,323 | 87,666 | 97,853 | 835,787 |
| Due From Other Governments | 411,976 | - | - | - | 411,976 |
| Total Receivables | \$ 928,788 | \$ 200,323 | \$ 87,666 | \$ 103,456 | \$ 1,320,233 |

District management has deemed the amounts to be fully collectible.

VII. Interfund Receivables, Payables, Revenues and Expenditures

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

| | <u>Interfund</u> | | | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>Receivables</u> | <u>Payables</u> | <u>Revenues</u> | <u>Expenditures</u> |
| General Fund | \$ 1,069,193 | \$ 195,693 | \$ - | \$ 1,739,729 |
| Special Aid Fund | 335,628 | 757,556 | 32,603 | - |
| School Lunch Fund | 55,838 | 146,586 | - | - |
| Debt Service Fund | 241 | - | 1,607,126 | - |
| Capital Projects Fund | 103,314 | 464,379 | 100,000 | - |
| Total | \$ 1,564,214 | \$ 1,564,214 | \$ 1,739,729 | \$ 1,739,729 |

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

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

VIII. Capital Assets

Capital asset balances and activity were as follows:

| <u>Type</u> | <u>Balance 7/1/2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6/30/2021</u> |
|--|-----------------------------|------------------------------|--------------------------|------------------------------|
| Governmental Activities: | | | | |
| <u>Capital Assets that are not Depreciated -</u> | | | | |
| Land | \$ 26,149 | \$ - | \$ - | \$ 26,149 |
| Work in progress | - | 201,550 | 201,550 | - |
| <i>Total Nondepreciable</i> | <u>\$ 26,149</u> | <u>\$ 201,550</u> | <u>\$ 201,550</u> | <u>\$ 26,149</u> |
| <u>Capital Assets that are Depreciated -</u> | | | | |
| Buildings and Improvements | \$ 41,581,476 | \$ 100,000 | \$ - | \$ 41,681,476 |
| Machinery and equipment | 4,358,716 | 274,199 | - | 4,632,915 |
| <i>Total Depreciated Assets</i> | <u>\$ 45,940,192</u> | <u>\$ 374,199</u> | <u>\$ -</u> | <u>\$ 46,314,391</u> |
| <u>Less Accumulated Depreciation -</u> | | | | |
| Buildings and Improvements | \$ 15,283,899 | \$ 1,256,397 | \$ - | \$ 16,540,296 |
| Machinery and equipment | 2,991,758 | 335,233 | - | 3,326,991 |
| <i>Total Accumulated Depreciation</i> | <u>\$ 18,275,657</u> | <u>\$ 1,591,630</u> | <u>\$ -</u> | <u>\$ 19,867,287</u> |
| <i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i> | <u>\$ 27,664,535</u> | <u>\$ (1,217,431)</u> | <u>\$ -</u> | <u>\$ 26,447,104</u> |
| Total Capital Assets | <u>\$ 27,690,684</u> | <u>\$ (1,015,881)</u> | <u>\$ 201,550</u> | <u>\$ 26,473,253</u> |

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

| | |
|-----------------------------------|----------------------------|
| Governmental Activities: | |
| General Government Support | \$ 5,924 |
| Instruction | 1,219,150 |
| Pupil Transportation | 243,340 |
| School Lunch | 123,216 |
| Total Depreciation Expense | <u>\$ 1,591,630</u> |

IX. Short-Term Debt

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

| | <u>Maturity</u> | <u>Interest Rate</u> | <u>Balance 7/1/2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6/30/2021</u> |
|------------------------------|-----------------|--------------------------|-----------------------------|--------------------------|--------------------------|------------------------------|
| BAN-Buses | 6/25/2021 | 1.15% | \$ 289,000 | \$ - | \$ 289,000 | \$ - |
| BAN-Buses | 6/24/2022 | 0.33% | - | 314,000 | - | 314,000 |
| Total Short-Term Debt | | | <u>\$ 289,000</u> | <u>\$ 314,000</u> | <u>\$ 289,000</u> | <u>\$ 314,000</u> |

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

| | |
|--|------------------------|
| Interest Paid | \$ 3,314 |
| Less: Interest Accrued in the Prior Year | (37) |
| Plus: Interest Accrued in the Current Year | 14 |
| Total Short-Term Interest Expense | <u>\$ 3,291</u> |

X. Long-Term Debt Obligations

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

| | <u>Balance</u> <u>7/1/2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>6/30/2021</u> | <u>Due Within</u> <u>One Year</u> |
|---|-----------------------------------|-------------------------|----------------------------|------------------------------------|--------------------------------------|
| Governmental Activities: | | | | | |
| <u>Bonds and Notes Payable -</u> | | | | | |
| Serial Bonds | \$ 10,135,000 | \$ - | \$ 1,240,000 | \$ 8,895,000 | \$ 1,315,000 |
| Unamortized Bond Premium | 446,254 | - | 65,788 | 380,466 | 48,804 |
| Total Bonds and Notes Payable | <u>\$ 10,581,254</u> | <u>\$ -</u> | <u>\$ 1,305,788</u> | <u>\$ 9,275,466</u> | <u>\$ 1,363,804</u> |
| <u>Other Liabilities -</u> | | | | | |
| Net Pension Liability | \$ 1,151,010 | \$ - | \$ 132,195 | \$ 1,018,815 | \$ - |
| OPEB | 2,007,439 | 46,031 | - | 2,053,470 | - |
| Compensated Absences | 878,438 | - | 18,498 | 859,940 | 264,209 |
| Total Other Liabilities | <u>\$ 4,036,887</u> | <u>\$ 46,031</u> | <u>\$ 150,693</u> | <u>\$ 3,932,225</u> | <u>\$ 264,209</u> |
| Total Long-Term Obligations | <u>\$ 14,618,141</u> | <u>\$ 46,031</u> | <u>\$ 1,456,481</u> | <u>\$ 13,207,691</u> | <u>\$ 1,628,013</u> |

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

Existing serial and statutory bond obligations:

| <u>Description</u> | <u>Original</u> <u>Amount</u> | <u>Issue</u> <u>Date</u> | <u>Final</u> <u>Maturity</u> | <u>Interest</u> <u>Rate</u> | <u>Amount</u> <u>Outstanding</u> <u>6/30/2021</u> |
|---------------------------|----------------------------------|-----------------------------|---------------------------------|--------------------------------|---|
| Refunded | \$ 2,260,000 | 2015 | 2022 | 2%-4% | \$ 400,000 |
| Reconstruction | \$ 6,840,000 | 2017 | 2032 | 2%-3% | 5,220,000 |
| Refunded | \$ 1,770,000 | 2018 | 2024 | 2%-5% | 1,095,000 |
| Construction | \$ 2,280,000 | 2020 | 2035 | 5.00% | 2,180,000 |
| Total Serial Bonds | | | | | <u>\$ 8,895,000</u> |

The following is a summary of debt service requirements as of June 30, 2021:

| <u>Year</u> | <u>Serial Bonds</u> | |
|--------------|----------------------------|----------------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2022 | \$ 1,315,000 | \$ 308,162 |
| 2023 | 950,000 | 261,512 |
| 2024 | 985,000 | 226,913 |
| 2025 | 630,000 | 190,863 |
| 2026 | 595,000 | 173,163 |
| 2027-31 | 3,170,000 | 585,600 |
| 2032-35 | 1,250,000 | 107,550 |
| Total | <u>\$ 8,895,000</u> | <u>\$ 1,853,763</u> |

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$395,000 of bonds outstanding are considered defeased.

(X.) (Continued)

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

| | |
|--|-------------------|
| Interest Paid | \$ 384,146 |
| Less: Interest Accrued in the Prior Year | (17,378) |
| Less: Amortization of bond premium | (65,788) |
| Plus: Interest Accrued in the Current Year | 12,840 |
| Total Long-Term Interest Expense | \$ 313,820 |

XI. Deferred Inflows/Outflows of Resources

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

| | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> |
|-----------------|-------------------------------------|------------------------------------|
| Pension | \$ 4,571,921 | \$ 1,734,624 |
| Planned Balance | - | 100,000 |
| OPEB | 13,911 | 279,774 |
| Total | \$ 4,585,832 | \$ 2,114,398 |

XII. Pension Plans

A. General Information

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

B. Provisions and Administration

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

(XII.) (Continued)

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

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

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

| <u>Contributions</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2021 | \$ 233,366 | \$ 611,148 |

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

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

(XII.) (Continued)

| | <u>ERS</u> | <u>TRS</u> |
|--|----------------|----------------|
| Measurement date | March 31, 2021 | June 30, 2020 |
| Net pension assets/(liability) | \$ (4,045) | \$ (1,014,770) |
| District's portion of the Plan's total net pension asset/(liability) | 0.004% | 0.037% |

For the year ended June 30, 2021, the District recognized pension expenses of \$135,310 for ERS and \$1,390,957 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | | <u>Deferred Inflows of Resources</u> | |
|---|---|----------------------------|--|--------------------------|
| | <u>ERS</u> | <u>TRS</u> | <u>ERS</u> | <u>TRS</u> |
| Differences between expected and actual experience | \$ 49,400 | \$ 889,141 | \$ - | \$ 52,005 |
| Changes of assumptions | 743,744 | 1,283,448 | 14,027 | 457,482 |
| Net difference between projected and actual earnings on pension plan investments | - | 662,734 | 1,161,960 | - |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 125,425 | 148,254 | 36,593 | 12,557 |
| Subtotal | <u>\$ 918,569</u> | <u>\$ 2,983,577</u> | <u>\$ 1,212,580</u> | <u>\$ 522,044</u> |
| District's contributions subsequent to the measurement date | 77,724 | 592,051 | - | - |
| Grand Total | <u>\$ 996,293</u> | <u>\$ 3,575,628</u> | <u>\$ 1,212,580</u> | <u>\$ 522,044</u> |

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

| <u>Year</u> | <u>ERS</u> | <u>TRS</u> |
|--------------|----------------------------|----------------------------|
| 2021 | \$ - | \$ 420,029 |
| 2022 | (34,148) | 822,715 |
| 2023 | 1,304 | 677,834 |
| 2024 | (44,176) | 428,900 |
| 2025 | (216,991) | 42,144 |
| Thereafter | - | 69,911 |
| Total | <u>\$ (294,011)</u> | <u>\$ 2,461,533</u> |

E. Actuarial Assumptions

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

(XII.) (Continued)

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

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

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

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

(XII.) (Continued)

The real rate of return is net of the long-term inflation assumption of 2% for ERS and 2.2% for TRS.

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

F. Discount Rate

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

G. Sensitivity of the Net Pension Liability to the Discount Rate Assumption

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

| | 1% Decrease <u>(4.90 %)</u> | Current Assumption <u>(5.90 %)</u> | 1% Increase <u>(6.90 %)</u> |
|---|--|---|--|
| <u>ERS</u> | | | |
| Employer's proportionate share of the net pension asset (liability) | \$ (1,122,734) | \$ (4,045) | \$ 1,027,648 |
| | | | |
| | 1% Decrease <u>(6.10 %)</u> | Current Assumption <u>(7.10 %)</u> | 1% Increase <u>(8.10 %)</u> |
| <u>TRS</u> | | | |
| Employer's proportionate share of the net pension asset (liability) | \$ (6,409,951) | \$ (1,014,770) | \$ 3,513,155 |

(XII.) (Continued)

H. Pension Plan Fiduciary Net Position

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

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

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$77,725.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$611,148.

XIII. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

(XIII.) (Continued)

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

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 33 |
| Active Employees | 129 |
| Total | 162 |

B. Total OPEB Liability

The District's total OPEB liability of \$2,053,470 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

| | |
|--|---|
| Inflation | 2.60 percent |
| Salary Increases | 2.60 percent, average, including inflation |
| Discount Rate | 2.16 percent |
| Healthcare Cost Trend Rates | 6.6 percent decreasing to an ultimate rate of 4.1 percent over 56 years |
| Retirees' Share of Benefit-Related Costs | Varies between 0% and 30% depending on contract |

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

Mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2020.

C. Changes in the Total OPEB Liability

| | |
|--|---------------------|
| Balance at June 30, 2020 | \$ 2,007,439 |
| <u>Changes for the Year -</u> | |
| Service cost | \$ 77,615 |
| Interest | 45,132 |
| Changes in assumptions or other inputs | 9,529 |
| Benefit payments | (86,245) |
| Net Changes | \$ 46,031 |
| Balance at June 30, 2021 | \$ 2,053,470 |

(XIII.) (Continued)

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

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

| | 1% Decrease (1.16 %) | Discount Rate (2.16 %) | 1% Increase (3.16 %) |
|----------------------|---------------------------------|---------------------------------------|---------------------------------|
| Total OPEB Liability | \$ 2,256,922 | \$ 2,053,470 | \$ 1,873,505 |

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 (5.6% Decreasing to 3.1%) | Healthcare Cost Trend Rates (6.6% Decreasing to 4.1 %) | 1% Increase (7.6% Decreasing to 5.1%) |
|----------------------|--|---|--|
| Total OPEB Liability | \$ 1,785,974 | \$ 2,053,470 | \$ 2,378,659 |

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$83,520. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 5,453 | \$ 152,278 |
| Changes of assumptions | 8,458 | 127,496 |
| Total | \$ 13,911 | \$ 279,774 |

(XIII.) (Continued)

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

| <u>Year</u> | | |
|--------------|-----------|-------------------------|
| 2022 | \$ | (39,227) |
| 2023 | | (39,227) |
| 2023 | | (39,227) |
| 2024 | | (39,227) |
| 2025 | | (39,227) |
| 2026 | | (69,728) |
| Total | \$ | <u>(265,863)</u> |

XIV. Risk Management

A. General Information

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

B. Health Plan

The District incurs costs related to the Genesee Valley Area Health Care Plan (Plan) sponsored by the Genesee Valley Board of Cooperative Educational Services (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. Membership in the Plan may be offered to any component district of the BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than 60 days prior to the end of the Plan year. Plan members include twenty-four districts with the Caledonia-Mumford Central School District bearing an equal proportionate share of the Plan's assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement, signed by all participants, all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

(XIV.) (Continued)

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling \$1,737,372.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2020, revealed that the Plan is fully funded.

C. Health and Dental Insurance

For its employee health and dental insurance coverage the Caledonia-Mumford Central School District is a participant in The Finger Lakes Area School Health Plan/FLASHP, a public entity risk pool operated for the benefit of governmental units located within the Finger Lakes Municipal School District. The School District pays an annual premium to the Plan for this employee health and dental insurance coverage. The Finger Lakes Area School Health Plan/FLASHP is considered a self-sustaining risk pool that will provide coverage for its members up to \$1,000,000 annual maximum. The Caledonia-Mumford Central School District, New York has essentially transferred all related risk to the Plan. During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling \$10,000.

D. Workers' Compensation

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

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

(XIV.) (Continued)

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

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling \$72,542.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2020, revealed that the Plan is fully funded.

E. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. There were no claim and judgment expenditures of this program for the 2020-21 fiscal year. The balance of the fund at June 30, 2021 was \$583,698 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2021, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XV. Commitments and Contingencies

A. Litigation

There is no litigation pending against the District as of the balance sheet date.

B. Grants

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

XVI. Tax Abatement

The County of Livingston IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the District property tax revenue was reduced \$31,642. The District received payment in lieu of tax (PILOT) payment totaling \$20,790 to help offset the property tax reduction.

XVII. COVID-19

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

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

The District reported \$139,590 in CARES revenues and expenditures during the 2021 fiscal year and has submitted the CRRSA and ARPA funding applications to the New York State Education Department for approval. All three stimulus funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. The District also provided free breakfast and lunches to all students (except those who opted out) through the Federal Seamless Summer Option program.

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

| TOTAL OPEB LIABILITY | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Service cost | \$ 77,615 | \$ 58,984 | \$ 61,740 | \$ 59,942 |
| Interest | 45,132 | 77,469 | 68,534 | 66,706 |
| Differences between expected and actual experiences | - | (191,830) | - | 8,969 |
| Changes of assumptions or other inputs | 9,529 | (56,874) | (128,962) | - |
| Benefit payments | (86,245) | (68,870) | (70,440) | (82,458) |
| Net Change in Total OPEB Liability | <u>\$ 46,031</u> | <u>\$ (181,121)</u> | <u>\$ (69,128)</u> | <u>\$ 53,159</u> |
| Total OPEB Liability - Beginning | <u>\$ 2,007,439</u> | <u>\$ 2,188,560</u> | <u>\$ 2,257,688</u> | <u>\$ 2,204,529</u> |
| Total OPEB Liability - Ending | <u><u>\$ 2,053,470</u></u> | <u><u>\$ 2,007,439</u></u> | <u><u>\$ 2,188,560</u></u> | <u><u>\$ 2,257,688</u></u> |
| Covered Employee Payroll | \$ 7,301,990 | \$ 7,301,990 | \$ 7,251,483 | \$ 7,881,008 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 28.12% | 27.49% | 30.18% | 28.65% |

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

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

NYSERS Pension Plan

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability (assets) | 0.0040623% | 0.0043466% | 0.0042358% | 0.0045550% | 0.0049180% | 0.0050823% | 0.0049502% |
| Proportionate share of the net pension liability (assets) | \$ 4,045 | \$ 1,151,010 | \$ 300,118 | \$ 147,009 | \$ 462,066 | \$ 815,725 | \$ 167,229 |
| Covered-employee payroll | \$ 1,694,721 | \$ 1,632,217 | \$ 1,565,570 | \$ 1,705,699 | \$ 1,580,173 | \$ 1,479,742 | \$ 1,538,536 |
| Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll | 0.239% | 70.518% | 19.170% | 8.619% | 29.241% | 55.126% | 10.869% |
| Plan fiduciary net position as a percentage of the total pension liability | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.70% | 97.90% |

NYSTRS Pension Plan

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------|----------------|--------------|--------------|--------------|----------------|----------------|
| Proportion of the net pension liability (assets) | 0.036724% | 0.039229% | 0.039628% | 0.039591% | 0.039399% | 0.039512% | 0.039107% |
| Proportionate share of the net pension liability (assets) | \$ 1,014,770 | \$ (1,019,181) | \$ (716,577) | \$ (300,929) | \$ 421,983 | \$ (4,104,077) | \$ (4,356,319) |
| Covered-employee payroll | \$ 6,212,500 | \$ 6,407,519 | \$ 6,748,555 | \$ 6,583,106 | \$ 6,351,474 | \$ 6,090,101 | \$ 5,969,393 |
| Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll | 16.334% | -15.906% | -10.618% | -4.571% | 6.644% | -67.389% | -72.978% |
| Plan fiduciary net position as a percentage of the total pension liability | 97.80% | 102.20% | 101.53% | 100.66% | 99.01% | 110.46% | 111.48% |

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

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

NYSERS Pension Plan

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contributions | \$ 233,366 | \$ 225,678 | \$ 216,706 | \$ 241,126 | \$ 231,503 | \$ 253,147 | \$ 174,721 |
| Contributions in relation to the contractually required contribution | (233,366) | (225,678) | (216,706) | (241,126) | (231,503) | (253,147) | (174,721) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 1,694,721 | \$ 1,632,217 | \$ 1,565,570 | \$ 1,705,699 | \$ 1,580,173 | \$ 1,479,472 | \$ 1,538,536 |
| Contributions as a percentage of covered-employee payroll | 13.77% | 13.83% | 13.84% | 14.14% | 14.65% | 17.11% | 11.36% |

NYSTRS Pension Plan

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contributions | \$ 611,148 | \$ 594,354 | \$ 632,585 | \$ 645,144 | \$ 759,935 | \$ 827,895 | \$ 1,070,499 |
| Contributions in relation to the contractually required contribution | (611,148) | (594,354) | (632,585) | (645,144) | (759,935) | (827,895) | (1,070,499) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 6,212,500 | \$ 6,407,519 | \$ 6,748,555 | \$ 6,583,106 | \$ 6,351,474 | \$ 6,090,101 | \$ 5,969,393 |
| Contributions as a percentage of covered-employee payroll | 9.84% | 9.28% | 9.37% | 9.80% | 11.96% | 13.59% | 17.93% |

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

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

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Current Year's Revenues</u> | <u>Over (Under) Revised Budget</u> |
|---|-----------------------------|-----------------------------|--|--|
| REVENUES | | | | |
| Local Sources - | | | | |
| Real property taxes | \$ 7,317,824 | \$ 6,283,479 | \$ 6,295,733 | \$ 12,254 |
| Real property tax items | 32,000 | 1,066,345 | 1,070,762 | 4,417 |
| Non-property taxes | 195,000 | 195,000 | 178,462 | (16,538) |
| Charges for services | 128,500 | 128,500 | 115,502 | (12,998) |
| Use of money and property | 10,000 | 10,000 | 5,801 | (4,199) |
| Sale of property and compensation for loss | 5,000 | 5,000 | 11,432 | 6,432 |
| Miscellaneous | 67,000 | 67,000 | 318,814 | 251,814 |
| State Sources - | | | | |
| Basic formula | 9,395,173 | 9,254,393 | 7,715,642 | (1,538,751) |
| Lottery aid | - | - | 1,381,273 | 1,381,273 |
| BOCES | 905,000 | 905,000 | 1,265,049 | 360,049 |
| Textbooks | 46,076 | 46,076 | 45,552 | (524) |
| All Other Aid - | | | | |
| Computer software | 25,351 | 25,351 | 25,157 | (194) |
| Library loan | 4,850 | 4,850 | 2,661 | (2,189) |
| Other aid | - | - | 25,252 | 25,252 |
| Federal Sources | <u>20,000</u> | <u>160,780</u> | <u>201,285</u> | <u>40,505</u> |
| TOTAL REVENUES | <u>\$ 18,151,774</u> | <u>\$ 18,151,774</u> | <u>\$ 18,658,377</u> | <u>\$ 506,603</u> |
| Appropriated reserves | <u>\$ 180,000</u> | <u>\$ 180,000</u> | | |
| Appropriated fund balance | <u>\$ 365,000</u> | <u>\$ 365,000</u> | | |
| Prior year encumbrances | <u>\$ 499,197</u> | <u>\$ 499,197</u> | | |
| TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE | <u><u>\$ 19,195,971</u></u> | <u><u>\$ 19,195,971</u></u> | | |

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

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Current Year's Expenditures</u> | <u>Encumbrances</u> | <u>Unencumbered Balances</u> |
|---|----------------------------|---------------------------|--|---------------------|----------------------------------|
| EXPENDITURES | | | | | |
| General Support - | | | | | |
| Board of education | \$ 19,760 | \$ 19,760 | \$ 9,358 | \$ - | \$ 10,402 |
| Central administration | 239,340 | 274,173 | 269,894 | - | 4,279 |
| Finance | 239,730 | 375,262 | 351,081 | - | 24,181 |
| Staff | 71,291 | 65,889 | 57,957 | - | 7,932 |
| Central services | 1,603,617 | 1,543,930 | 1,125,224 | 147,299 | 271,407 |
| Special items | 334,248 | 334,248 | 325,613 | - | 8,635 |
| Instructional - | | | | | |
| Instruction, administration and improvement | 608,602 | 583,539 | 459,045 | - | 124,494 |
| Teaching - regular school | 4,686,288 | 4,547,844 | 4,327,793 | 77,820 | 142,231 |
| Programs for children with handicapping conditions | 2,441,727 | 2,111,443 | 1,901,724 | - | 209,719 |
| Occupational education | 553,054 | 494,249 | 494,160 | 89 | - |
| Teaching - special schools | 15,785 | 5,169 | - | - | 5,169 |
| Instructional media | 956,960 | 1,523,980 | 1,197,504 | 272,990 | 53,486 |
| Pupil services | 997,210 | 986,070 | 731,218 | 53,479 | 201,373 |
| Pupil Transportation | 854,840 | 848,927 | 654,339 | - | 194,588 |
| Community Services | 15,976 | 15,976 | 12,547 | - | 3,429 |
| Employee Benefits | 3,713,417 | 3,621,386 | 3,178,512 | - | 442,874 |
| Debt service - principal | 93,000 | 100,000 | 100,000 | - | - |
| Debt service - interest | 11,000 | 4,000 | 3,314 | - | 686 |
| TOTAL EXPENDITURES | <u>\$ 17,455,845</u> | <u>\$ 17,455,845</u> | <u>\$ 15,199,283</u> | <u>\$ 551,677</u> | <u>\$ 1,704,885</u> |
| Other Uses - | | | | | |
| Transfers - out | \$ 1,740,126 | \$ 1,740,126 | \$ 1,739,729 | \$ - | \$ 397 |
| TOTAL EXPENDITURES AND OTHER USES | <u>\$ 19,195,971</u> | <u>\$ 19,195,971</u> | <u>\$ 16,939,012</u> | <u>\$ 551,677</u> | <u>\$ 1,705,282</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,719,365</u> | | |
| FUND BALANCE, BEGINNING OF YEAR | <u>3,675,739</u> | <u>3,675,739</u> | <u>3,675,739</u> | | |
| FUND BALANCE, END OF YEAR | <u>\$ 3,675,739</u> | <u>\$ 3,675,739</u> | <u>\$ 5,395,104</u> | | |

Note to Required Supplementary Information:

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

| | | |
|---------------------------|--|----------------------|
| Adopted budget | | \$ 18,696,774 |
| Prior year's encumbrances | | 499,197 |
| FINAL BUDGET | | \$ 19,195,971 |

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

| | | |
|---|--------------|---------------|
| 2021-22 voter approved expenditure budget | | \$ 19,019,383 |
| <u>Unrestricted fund balance:</u> | | |
| Assigned fund balance | \$ 916,677 | |
| Unassigned fund balance | 760,775 | |
| Total Unrestricted fund balance | \$ 1,677,452 | |
| <u>Less adjustments:</u> | | |
| Appropriated fund balance | \$ 365,000 | |
| Encumbrances included in assigned fund balance | 551,677 | |
| Total adjustments | \$ 916,677 | |
| General fund fund balance subject to Section 1318 of Real Property Tax Law | | 760,775 |
| ACTUAL PERCENTAGE | | 4.00% |

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

| Project Title | Original Appropriation | Revised Appropriation | Expenditures | | | Unexpended Balance | Methods of Financing | | | | Fund Balance | |
|-------------------------|-----------------------------------|----------------------------------|------------------------|-------------------------|---------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|------------------|-------------------------|---------------------|
| | | | Prior Years | Current Year | Total | | Obligations | Local Sources | State Sources | Transfers | | Total |
| 2016-2017 Bus Purchases | \$ 211,000 | \$ 211,000 | \$ 194,599 | \$ - | \$ 194,599 | \$ 16,401 | \$ - | \$ 169,600 | \$ - | \$ (5,001) | \$ 164,599 | \$ (30,000) |
| 2017-2018 Bus Purchases | 116,500 | 116,500 | 116,011 | - | 116,011 | 489 | - | 116,011 | - | - | 116,011 | - |
| 2018-19 Bus Purchases | 118,000 | 118,000 | 116,979 | - | 116,979 | 1,021 | - | 47,000 | - | (21) | 46,979 | (70,000) |
| 2019-2020 Bus Purchases | 130,000 | 130,000 | 125,409 | - | 125,409 | 4,591 | - | 31,387 | - | 5,022 | 36,409 | (89,000) |
| 2020-2021 Bus Purchases | 125,000 | 125,000 | - | 124,217 | 124,217 | 783 | - | - | - | - | - | (124,217) |
| 2020-21 Capital Outlay | 100,000 | 100,000 | - | 100,000 | 100,000 | - | - | 100,000 | - | - | 100,000 | - |
| 2020 Capital Project | 3,665,000 | 3,665,000 | 3,651,116 | 13,884 | 3,665,000 | - | 2,280,000 | 1,385,000 | - | - | 3,665,000 | - |
| Smart Schools | 87,666 | 87,666 | - | 87,666 | 87,666 | - | - | - | 87,666 | - | 87,666 | - |
| TOTAL | \$ 4,553,166 | \$ 4,553,166 | \$ 4,204,114 | \$ 325,767 | \$ 4,529,881 | \$ 23,285 | \$ 2,280,000 | \$ 1,848,998 | \$ 87,666 | \$ - | \$ 4,216,664 | \$ (313,217) |

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

| | Special | | | Total |
|--------------------------------------|----------------------|------------------------|-------------------|-------------------|
| | Revenue Funds | | Debt | |
| | School | Miscellaneous | | Service |
| | Lunch | Special Revenue | | |
| | Fund | Fund | Fund | Funds |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 52,453 | \$ 133,278 | \$ 365,028 | \$ 550,759 |
| Receivables | 103,456 | - | - | 103,456 |
| Inventories | 17,779 | - | - | 17,779 |
| Due from other funds | 55,838 | - | 241 | 56,079 |
| TOTAL ASSETS | \$ 229,526 | \$ 133,278 | \$ 365,269 | \$ 728,073 |
| LIABILITIES AND FUND BALANCES | | | | |
| <u>Liabilities</u> - | | | | |
| Accrued liabilities | \$ 5,302 | - | \$ - | \$ 5,302 |
| Due to other funds | 146,586 | - | - | 146,586 |
| Due to other governments | 100 | - | - | 100 |
| Unearned revenue | 10,081 | - | - | 10,081 |
| TOTAL LIABILITIES | \$ 162,069 | \$ - | \$ - | \$ 162,069 |
| <u>Fund Balances</u> - | | | | |
| Nonspendable | \$ 17,779 | \$ - | \$ - | \$ 17,779 |
| Restricted | - | 133,278 | 365,269 | 498,547 |
| Assigned | 49,678 | - | - | 49,678 |
| TOTAL FUND BALANCE | \$ 67,457 | \$ 133,278 | \$ 365,269 | \$ 566,004 |
| TOTAL LIABILITIES AND | | | | |
| FUND BALANCES | \$ 229,526 | \$ 133,278 | \$ 365,269 | \$ 728,073 |

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

| | <u>Special Revenue Funds</u> | | | Total Nonmajor Governmental Funds |
|--|----------------------------------|---|----------------------------------|--|
| | <u>School Lunch Fund</u> | <u>Miscellaneous Special Revenue Fund</u> | <u>Debt Service Fund</u> | |
| REVENUES | | | | |
| Use of money and property | \$ 45 | \$ 21 | \$ 1,986 | \$ 2,052 |
| Miscellaneous | - | 235 | - | 235 |
| State sources | 15,181 | - | - | 15,181 |
| Federal sources | 433,016 | - | - | 433,016 |
| Sales | 17,414 | - | - | 17,414 |
| TOTAL REVENUES | <u>\$ 465,656</u> | <u>\$ 256</u> | <u>\$ 1,986</u> | <u>\$ 467,898</u> |
| EXPENDITURES | | | | |
| Employee benefits | \$ 56,646 | \$ - | \$ - | \$ 56,646 |
| Debt service - principal | - | - | 1,240,000 | 1,240,000 |
| Debt service - interest | - | - | 384,146 | 384,146 |
| Cost of sales | 213,536 | - | - | 213,536 |
| Other expenses | 174,720 | 6,900 | - | 181,620 |
| TOTAL EXPENDITURES | <u>\$ 444,902</u> | <u>\$ 6,900</u> | <u>\$ 1,624,146</u> | <u>\$ 2,075,948</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ 20,754</u> | <u>\$ (6,644)</u> | <u>\$ (1,622,160)</u> | <u>\$ (1,608,050)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers - in | \$ - | \$ - | \$ 1,607,126 | \$ 1,607,126 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,607,126</u> | <u>\$ 1,607,126</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 20,754</u> | <u>\$ (6,644)</u> | <u>\$ (15,034)</u> | <u>\$ (924)</u> |
| FUND BALANCE, BEGINNING OF YEAR (restated) | <u>46,703</u> | <u>139,922</u> | <u>380,303</u> | <u>566,928</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 67,457</u> | <u>\$ 133,278</u> | <u>\$ 365,269</u> | <u>\$ 566,004</u> |

(See Independent Auditors' Report)

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

| | | |
|--|----------------|------------------------------------|
| Capital assets, net | | \$ 26,473,253 |
| Deduct: | | |
| Bond payable | \$ 8,895,000 | |
| Unamortized bond premium | 380,466 | |
| Assets purchased with short-term financing | <u>313,217</u> | |
| | | <u>9,588,683</u> |
| Net Investment in Capital Assets | | <u><u>\$ 16,884,570</u></u> |

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

| <u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u> | <u>Assistance</u> <u>Listing</u> <u>Number</u> | <u>Grantor</u> <u>Number</u> | <u>Pass-Through</u> <u>Agency</u> <u>Number</u> | <u>Total</u> <u>Expenditures</u> |
|--|--|---------------------------------|---|-------------------------------------|
| <u>U.S. Department of Education:</u> | | | | |
| <u>Indirect Programs:</u> | | | | |
| <u>Passed Through NYS Education Department -</u> | | | | |
| <u>Special Education Cluster IDEA -</u> | | | | |
| Special Education - Grants to States (IDEA, Part B) | 84.027 | N/A | 0032-21-0334 | \$ 213,946 |
| Special Education - Preschool Grants (IDEA Preschool) | 84.173 | N/A | 0033-21-0334 | 7,781 |
| <i>Total Special Education Cluster IDEA</i> | | | | <u>\$ 221,727</u> |
| <u>Education Stabilization Fund -</u> | | | | |
| CARES Act - ESSER | 84.425D | N/A | 5890-21-1245 | \$ 119,362 |
| CARES Act - GEER | 84.425C | N/A | 5895-21-1245 | 20,228 |
| <i>Total Education Stabilization Fund</i> | | | | <u>\$ 139,590</u> |
| Title IIA - Supporting Effective Instruction State Grant | 84.367 | N/A | 0147-21-1245 | 25,068 |
| Title IV - Student Support and Enrichment Program | 84.424 | N/A | 0409-21-1245 | 10,000 |
| Title I - Grants to Local Educational Agencies | 84.010 | N/A | 0011-21-3010 | 126,844 |
| Total U.S. Department of Education | | | | <u>\$ 523,229</u> |
| <u>U.S. Department of Agriculture:</u> | | | | |
| <u>Indirect Programs:</u> | | | | |
| <u>Passed Through NYS Education Department -</u> | | | | |
| <u>Child Nutrition Cluster -</u> | | | | |
| Summer Food Service Program-COVID | 10.559 | N/A | 005106 | \$ 397,016 |
| National School Lunch Program-Non-Cash Assistance (Commodities) | 10.555 | N/A | 005106 | 36,000 |
| <i>Total Child Nutrition Cluster</i> | | | | <u>\$ 433,016</u> |
| Total U.S. Department of Agriculture | | | | <u>\$ 433,016</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | <u>\$ 956,245</u> |

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Independent Auditors' Report

To the Board of Education
Caledonia-Mumford Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caledonia- Mumford Central School District, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Caledonia- Mumford Central School District, New York's basic financial statements, and have issued our report thereon dated September 24, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rochester, New York
September 24, 2021.

Mengel, Metzger, Baw & Co. LLP