

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

**BASIC FINANCIAL STATEMENTS**

**For Year Ended June 30, 2020**

**MENGEL METZGER BARR & CO. LLP**

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

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

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

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–11 and 47-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 14, 2020 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 14, 2020

*Mengel, Metzger, Barw & Co. LLP*

# **Caledonia-Mumford Central School District, New York**

## **Management's Discussion and Analysis (MD&A)**

**June 30, 2020**

### **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, 2020. 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 2020 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 \$734,712 and this amount was within the statutory limit.
- The School District's governmental fund financial statements report a combined ending fund balance of \$3,827,629, An increase of \$1,601,489 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 \$20,724,668. The School District's total Net Position decreased by \$118,948 for the year ended June 30, 2020.

### **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 \$20,724,668 at the close of the current fiscal year.

**Net Position**

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2020</u>	<u>2019</u>	<u>Variance</u>
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 6,719,264	\$ 8,384,720	\$ (1,665,456)
Capital Assets	27,690,684	26,748,296	942,388
<b>Total Assets</b>	<b>\$ 34,409,948</b>	<b>\$ 35,133,016</b>	<b>\$ (723,068)</b>
<b><u>DEFERRED OUTFLOW OF RESOURCES:</u></b>			
Deferred Outflow of Resources	\$ 4,076,412	\$ 4,065,771	\$ 10,641
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 13,048,764	\$ 12,245,869	\$ 802,895
Other Liabilities	2,873,281	4,857,548	(1,984,267)
<b>Total Liabilities</b>	<b>\$ 15,922,045</b>	<b>\$ 17,103,417</b>	<b>\$ (1,181,372)</b>
<b><u>DEFERRED INFLOW OF RESOURCES:</u></b>			
Deferred Inflow of Resources	\$ 1,839,647	\$ 1,251,754	\$ 587,893
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 16,834,314	\$ 16,922,196	\$ (87,882)
<b>Restricted For:</b>			
Debt Service	380,303	458,472	(78,169)
Reserve for ERS	584,114	277,389	306,725
Liability Reserve	366,083	363,700	2,383
Accrued Benefit Liability Reserve	286,840	285,067	1,773
Other Purposes	635,212	397,876	237,336
Unrestricted	1,637,802	2,138,916	(501,114)
<b>Total Net Position</b>	<b>\$ 20,724,668</b>	<b>\$ 20,843,616</b>	<b>\$ (118,948)</b>



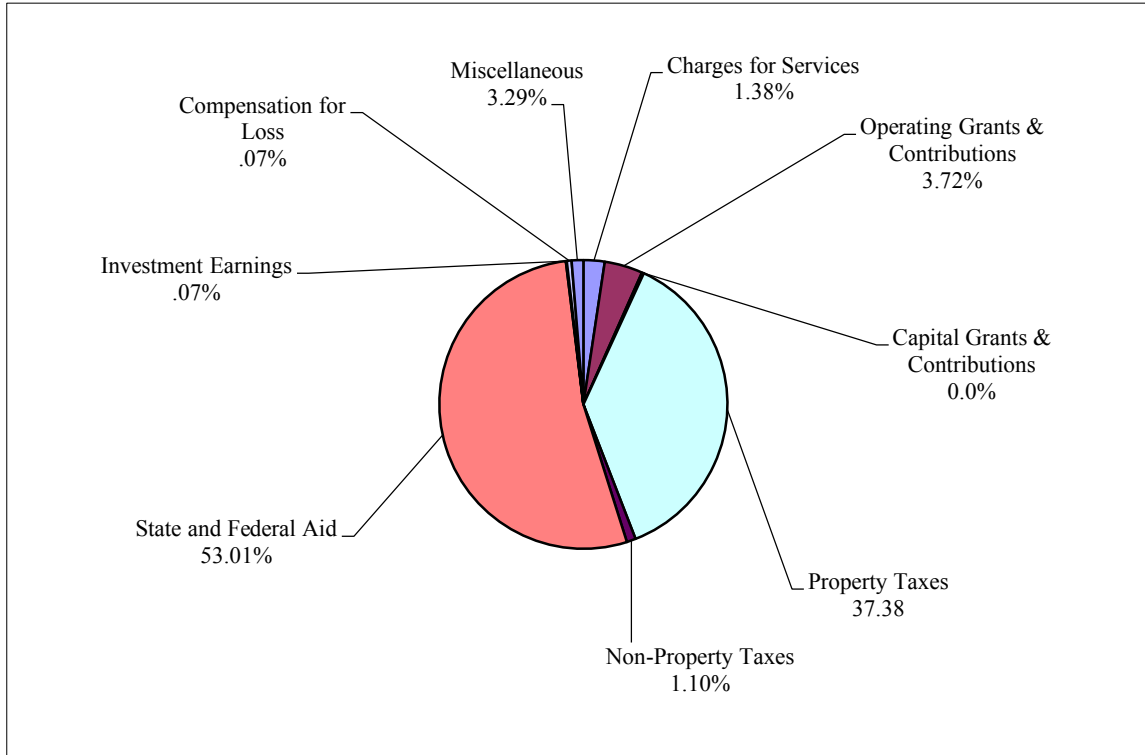
One of the components of the School District's Net Position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not 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

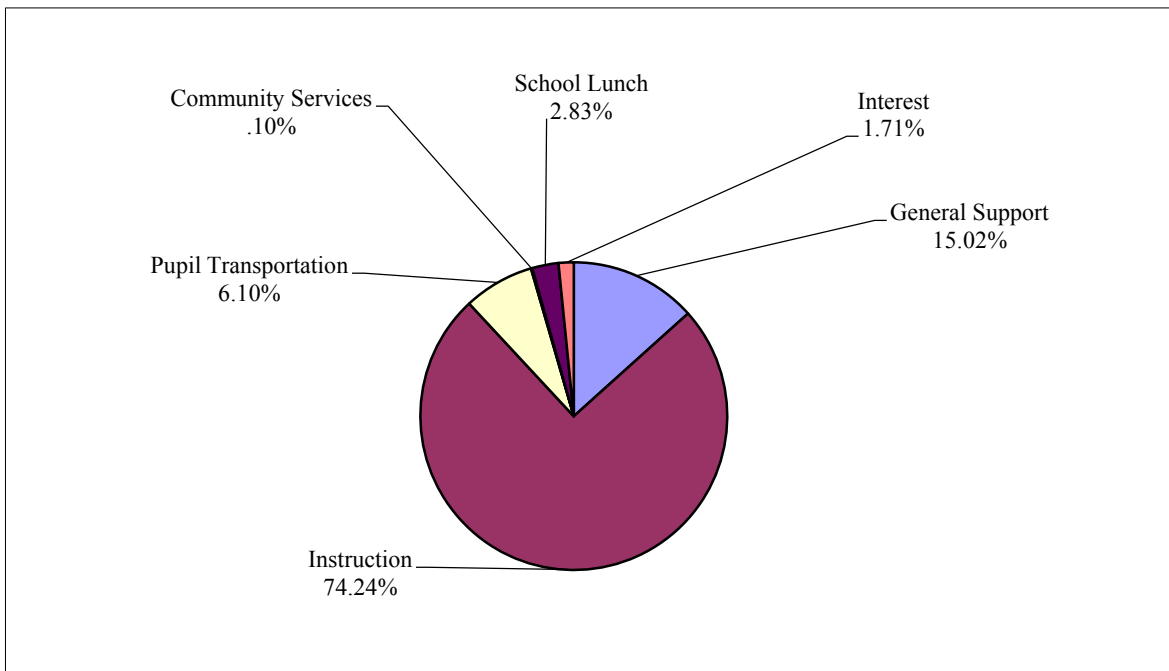
	<u>Governmental Activities</u>		<b>Total Percentage Change</b>
	<u>2020</u>	<u>2019</u>	
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Services	\$ 266,211	\$ 455,060	-41.50%
Operating Grants & Contributions	718,805	814,163	-11.71%
Capital Grants & Contributions	-	44,195	100.00%
Total Program	<u>\$ 985,016</u>	<u>\$ 1,313,418</u>	-25.00%
<b><u>General -</u></b>			
Property Taxes	\$ 7,213,737	\$ 7,068,740	2.05%
Non-Property Taxes	213,031	197,360	7.94%
State and Federal Aid	10,229,784	10,067,467	1.61%
Investment Earnings	13,938	17,665	-21.10%
Compensation for Loss	13,210	103,774	-87.27%
Miscellaneous	182,587	246,936	-26.06%
Total General	<u>\$ 17,866,287</u>	<u>\$ 17,701,942</u>	0.93%
<b>TOTAL REVENUES</b>	<u><b>\$ 18,851,303</b></u>	<u><b>\$ 19,015,360</b></u>	-0.86%
<b><u>EXPENSES:</u></b>			
General Support	\$ 2,849,034	\$ 2,552,485	11.62%
Instruction	14,084,191	14,246,514	-1.14%
Pupil Transportation	1,156,564	1,419,012	-18.50%
Community Services	19,362	22,206	-12.81%
School Lunch	536,090	532,414	0.69%
Interest on Long-Term Debt	325,010	303,970	6.92%
<b>TOTAL EXPENSES</b>	<u><b>\$ 18,970,251</b></u>	<u><b>\$ 19,076,601</b></u>	-0.56%
<b>NET INCREASE IN NET POSITION</b>	<u><b>\$ (118,948)</b></u>	<u><b>\$ (61,241)</b></u>	94.23%

Governmental activities decreased the School District's Net Position by \$118,948. 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 74% of its expenses.

*Sources of Revenue for Fiscal Year 2020 -Governmental Activities*



*Program Expenses for Fiscal Year 2020-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 \$3,827,629, a increase of \$1,601,489 over the prior year. Of the total combined fund balances, \$867,290 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 2020-21 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 \$734,712 is available for spending at the School District's discretion. The negative fund balance in the capital fund of \$275,116 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 \$584,114, a reserve for unemployment of \$216,811, a reserve for future capital projects and equipment of \$89,068, a reserve for tax certiorari of \$108,733, a reserve for liability claims of \$366,083, a reserve for employee benefit accrued liability of \$286,840, a reserve for TRS of \$220,600, and a reserve for debt of \$380,303.

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 \$3,675,739, of which \$734,712, or 3.98% 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 \$115,677, which represents \$115,677 for prior year encumbrances.

### *Capital Assets*

At June 30, 2020 the School District had \$27,690,684 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>2020</u>	<u>2019</u>
Land	\$ 26,149	\$ 26,149
Work in Progress	-	1,556,111
Buildings and Improvements	26,297,577	23,601,064
Machinery and Equipment	<u>1,366,958</u>	<u>1,564,972</u>
<b>Total</b>	<b><u>\$ 27,690,684</u></b>	<b><u>\$ 26,748,296</u></b>

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, 2020, the School District had \$14,618,141 in general obligation and other long-term debt outstanding, as follows:

<u>Type</u>	<u>2020</u>	<u>2019</u>
Serial Bonds	\$ 10,135,000	\$ 8,960,000
Unamortized Bond Premium	446,254	-
Compensated Absences	878,438	832,778
Net Pension Liability	1,151,010	300,118
OPEB	<u>2,007,439</u>	<u>2,188,560</u>
<b>Total Long-Term Obligations</b>	<b><u>\$ 14,618,141</u></b>	<b><u>\$ 12,281,456</u></b>

### **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:

Terry Hasseler, 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, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,239,145
Accounts receivable	1,212,747
Inventories	18,547
Prepaid items	229,644
Net pension asset	1,019,181
<b>Capital Assets:</b>	
Land	26,149
Other capital assets (net of depreciation)	27,664,535
<b>TOTAL ASSETS</b>	<b><u>\$ 34,409,948</u></b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b><u>\$ 4,076,412</u></b>
 <b>LIABILITIES</b>	
Accounts payable	\$ 69,103
Accrued liabilities	278,234
Unearned revenues	10,343
Due to other governments	53
Due to teachers' retirement system	594,354
Due to employees' retirement system	62,817
Bond anticipation notes payable	289,000
<b>Long-Term Obligations:</b>	
Due in one year	1,569,377
Due in more than one year	13,048,764
<b>TOTAL LIABILITIES</b>	<b><u>\$ 15,922,045</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b><u>\$ 1,839,647</u></b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 16,834,314
<b>Restricted For:</b>	
Debt service	380,303
Reserve for employee retirement system	584,114
Other purposes	1,288,135
Unrestricted	1,637,802
<b>TOTAL NET POSITION</b>	<b><u>\$ 20,724,668</u></b>

(See accompanying notes to financial statements)

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

**Statement of Activities  
For Year Ended June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
<b>Primary Government -</b>				
General support	\$ 2,849,034	\$ -	\$ -	\$ (2,849,034)
Instruction	14,084,191	137,584	490,046	(13,456,561)
Pupil transportation	1,156,564	-	-	(1,156,564)
Community services	19,362	-	-	(19,362)
School lunch	536,090	128,627	228,759	(178,704)
Interest	325,010	-	-	(325,010)
<b>Total Primary Government</b>	<b>\$ 18,970,251</b>	<b>\$ 266,211</b>	<b>\$ 718,805</b>	<b>\$ (17,985,235)</b>
<b>General Revenues:</b>				
Property taxes				\$ 7,213,737
Non property taxes				213,031
State and federal aid				10,229,784
Investment earnings				13,938
Compensation for loss				13,210
Miscellaneous				182,587
<b>Total General Revenues</b>				<b>\$ 17,866,287</b>
Changes in Net Position				\$ (118,948)
<b>Net Position, Beginning of Year</b>				<b>20,843,616</b>
<b>Net Position, End of Year</b>				<b>\$ 20,724,668</b>

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

**Balance Sheet**

**Governmental Funds**

**June 30, 2020**

	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,114,059	\$ 267,601	\$ 352,527	\$ 273,309	\$ 3,007,496
Restricted cash and cash equivalents	1,231,649	-	-	-	1,231,649
Receivables	428,213	318,175	-	39,034	785,422
Inventories	-	-	-	18,547	18,547
Due from other funds	819,095	1,017	4,387	209,011	1,033,510
Prepaid items	229,644	-	-	-	229,644
<b>TOTAL ASSETS</b>	<b><u>\$ 4,822,660</u></b>	<b><u>\$ 586,793</u></b>	<b><u>\$ 356,914</u></b>	<b><u>\$ 539,901</u></b>	<b><u>\$ 6,306,268</u></b>
<b>LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities -</b>					
Accounts payable	\$ 69,103	\$ -	\$ -	\$ -	\$ 69,103
Accrued liabilities	256,603	-	-	4,216	260,819
Notes payable - bond anticipation notes	-	-	289,000	-	289,000
Due to other funds	5,404	586,793	343,030	98,283	1,033,510
Due to other governments	-	-	-	53	53
Due to TRS	594,354	-	-	-	594,354
Due to ERS	62,817	-	-	-	62,817
Compensated absences	58,640	-	-	-	58,640
Unearned revenue	-	-	-	10,343	10,343
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,046,921</u></b>	<b><u>\$ 586,793</u></b>	<b><u>\$ 632,030</u></b>	<b><u>\$ 112,895</u></b>	<b><u>\$ 2,378,639</u></b>
<b>Deferred Inflows -</b>					
Deferred inflows of resources	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
<b>Fund Balances -</b>					
Nonspendable	\$ 229,644	\$ -	\$ -	\$ 18,547	\$ 248,191
Restricted	1,872,249	-	-	380,303	2,252,552
Assigned	839,134	-	-	28,156	867,290
Unassigned	734,712	-	(275,116)	-	459,596
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 3,675,739</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (275,116)</u></b>	<b><u>\$ 427,006</u></b>	<b><u>\$ 3,827,629</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b><u>\$ 4,822,660</u></b>	<b><u>\$ 586,793</u></b>	<b><u>\$ 356,914</u></b>	<b><u>\$ 539,901</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,690,684
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(17,415)
The following are state aid payments deferred to September 2020 and are not receivable in the current period and therefore are not reported in the governmental funds: BOCES aid receivable	427,325
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	(10,135,000)
OPEB	(2,007,439)
Compensated absences	(819,798)
Unamortized bond premium	(446,254)
Net pension asset	1,019,181
Deferred outflow - pension	4,070,080
Deferred outflow - OPEB	6,332
Net pension liability	(1,151,010)
Deferred inflow - pension	(1,418,696)
Deferred inflow - OPEB	(320,951)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 20,724,668</u></b>



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

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

**For Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Real property taxes and tax items	\$ 7,213,737	\$ -	\$ -	\$ -	\$ 7,213,737
Non-property taxes	213,031	-	-	-	213,031
Charges for services	137,584	-	-	-	137,584
Use of money and property	12,586	-	-	1,352	13,938
Sale of property and compensation for loss	13,210	-	-	-	13,210
Miscellaneous	179,831	-	11	-	179,842
State sources	10,169,044	108,286	-	8,150	10,285,480
Federal sources	80,399	381,760	-	220,609	682,768
Sales	-	-	-	128,627	128,627
Premium on obligations issued	-	-	445,000	3,999	448,999
<b>TOTAL REVENUES</b>	<b><u>\$ 18,019,422</u></b>	<b><u>\$ 490,046</u></b>	<b><u>\$ 445,011</u></b>	<b><u>\$ 362,737</u></b>	<b><u>\$ 19,317,216</u></b>
<b>EXPENDITURES</b>					
General support	\$ 2,350,251	\$ -	\$ -	\$ -	\$ 2,350,251
Instruction	9,059,505	461,466	-	-	9,520,971
Pupil transportation	666,256	15,054	125,409	-	806,719
Community services	14,455	-	-	-	14,455
Employee benefits	3,247,546	29,229	-	53,658	3,330,433
Debt service - principal	82,000	-	-	1,105,000	1,187,000
Debt service - interest	5,072	-	-	313,776	318,848
Cost of sales	-	-	-	182,847	182,847
Other expenses	-	-	-	171,198	171,198
Capital outlay	-	-	2,195,005	-	2,195,005
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 15,425,085</u></b>	<b><u>\$ 505,749</u></b>	<b><u>\$ 2,320,414</u></b>	<b><u>\$ 1,826,479</u></b>	<b><u>\$ 20,077,727</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>\$ 2,594,337</u></b>	<b><u>\$ (15,703)</u></b>	<b><u>\$ (1,875,403)</u></b>	<b><u>\$ (1,463,742)</u></b>	<b><u>\$ (760,511)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - in	\$ -	\$ 15,703	\$ 104,387	\$ 1,335,345	\$ 1,455,435
Transfers - out	(1,455,435)	-	-	-	(1,455,435)
Proceeds from obligations	-	-	2,280,000	-	2,280,000
BAN's redeemed from appropriations	-	-	82,000	-	82,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>\$ (1,455,435)</u></b>	<b><u>\$ 15,703</u></b>	<b><u>\$ 2,466,387</u></b>	<b><u>\$ 1,335,345</u></b>	<b><u>\$ 2,362,000</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ 1,138,902</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 590,984</u></b>	<b><u>\$ (128,397)</u></b>	<b><u>\$ 1,601,489</u></b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b><u>2,536,837</u></b>	<b><u>-</u></b>	<b><u>(866,100)</u></b>	<b><u>555,403</u></b>	<b><u>2,226,140</u></b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 3,675,739</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (275,116)</u></b>	<b><u>\$ 427,006</u></b>	<b><u>\$ 3,827,629</u></b>

**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 Year Ended June 30, 2020**

**NET CHANGE IN FUND BALANCES -**  
**TOTAL GOVERNMENTAL FUNDS** \$ 1,601,489

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	\$ 2,195,005	
Additions to Assets, Net	137,980	
Depreciation	<u>(1,390,597)</u>	942,388

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	\$ 1,187,000	
Proceeds from Bond Issuance	(2,280,000)	
Proceeds from BAN Redemption	(82,000)	
Unamortized Bond Premium	<u>(446,254)</u>	(1,621,254)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (6,162)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (19,659)

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. (27,285)

(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		(713,586)
Employees' Retirement System		(203,548)

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>(71,331)</u>
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (118,948)**

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

**Statement of Fiduciary Net Position**

**June 30, 2020**

	<b>Private Purpose Trust</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 139,922	\$ 76,177
Restricted cash	-	121,039
<b>TOTAL ASSETS</b>	<b><u>\$ 139,922</u></b>	<b><u>\$ 197,216</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 33,804
Extraclassroom activity balances	-	121,039
Other liabilities	-	42,373
<b>TOTAL LIABILITIES</b>	<b><u>\$ -</u></b>	<b><u>\$ 197,216</u></b>
<b>NET POSITION</b>		
Restricted for scholarships	\$ 139,922	
<b>TOTAL NET POSITION</b>	<b><u>\$ 139,922</u></b>	

**Statement of Changes in Fiduciary Net Position**

**For Year Ended June 30, 2020**

	<b>Private Purpose Trust</b>
<b>ADDITIONS</b>	
Contributions	\$ 940
Investment earnings	859
<b>TOTAL ADDITIONS</b>	<b><u>\$ 1,799</u></b>
<b>DEDUCTIONS</b>	
Other expenses	\$ 6,900
<b>TOTAL DEDUCTIONS</b>	<b><u>\$ 6,900</u></b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (5,101)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b><u>145,023</u></b>
<b>NET POSITION, END OF YEAR</b>	<b><u>\$ 139,922</u></b>

# CALEDONIA-MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK

## Notes To The Basic Financial Statements

June 30, 2020

### I. Summary of Significant Accounting Policies

The financial statements of the 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 \$2,627,167 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$969,271.

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.

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

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

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

( I. ) (Continued)

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

**E. Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on July 9, 2019. Taxes are collected during the period September 1 to September 30, 2019.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District may have two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

**O. Vested Employee Benefits**

**1. Compensated Absences**

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.

**( I. ) (Continued)**

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.

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.

( I. ) (Continued)

S. **Equity Classifications**

1. **District-Wide Statements**

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

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

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

	<b><u>Total</u></b>
Reserve for TRS	\$ 220,600
Unemployment Insurance	216,811
Employee Benefit Accrued Liability	286,840
Liability Reserve	366,083
Capital Reserve	89,068
Reserve for Tax Certiorari	<u>108,733</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u><u>\$ 1,288,135</u></u></b>

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:

	<b><u>Total</u></b>
Inventory in School Lunch	\$ 18,547
Prepaid Items	<u>229,644</u>
<b>Total Nonspendable Fund Balance</b>	<b><u><u>\$ 248,191</u></u></b>

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

( I. ) (Continued)

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

<b><u>Name of Reserve</u></b>	<b><u>Maximum Funding</u></b>	<b><u>Total Funding Provided</u></b>	<b><u>Balance June 30, 2020</u></b>
2017 Capital Reserve	\$ 2,000,000	\$ 610,000	\$ 23,700
Vehicle/Equipment Reserve 2013	\$ 500,000	\$ 175,109	\$ 65,368

**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.

( I. ) (Continued)

**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.

**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:

	<b><u>Total</u></b>
<b><u>General Fund -</u></b>	
Capital Reserve	\$ 89,068
Employee Benefit Accrued Liability	286,840
Liability	366,083
Retirement Contribution - ERS	584,114
Retirement Contribution - TRS	220,600
Tax Certiorari	108,733
Unemployment	216,811
<b><u>Debt Service Fund -</u></b>	
Debt Service	380,303
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 2,252,552</u></u></b>

( I. ) (Continued)

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.

Management has determined significant encumbrances for the General Fund to be \$29,000 and the Capital Projects Fund to be \$6,000.

<b><u>General Fund -</u></b>	
Central Services	\$ 248,085
Teaching-Regular School	65,038
Instructional Media	128,314
<b>Total General Fund Significant Encumbrances</b>	<b><u><u>\$ 441,437</u></u></b>
<b><u>Capital Projects Fund -</u></b>	
Capital Project - 2019	<b><u><u>\$ 13,889</u></u></b>

Assigned fund balances include the following:

	<b><u>Total</u></b>
General Fund - Encumbrances	\$ 474,134
General Fund - Appropriated for Taxes	365,000
School Lunch Fund - Year End Equity	28,156
<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 867,290</u></u></b>

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

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

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

**( I. ) (Continued)**

**T. New Accounting Standards**

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

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

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

**U. Future Changes in Accounting Standards**

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

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

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

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

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

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

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

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

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

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

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



## **II. Stewardship, Compliance and Accountability**

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

### **A. Budgets**

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. In the current year the budget was increased \$115,677 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.

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 \$275,116 at June 30, 2020, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

### III. Cash and Cash Equivalents

**Credit Risk** – In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations 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 within Trust Department or Agent	4,118,860
<b>Total</b>	<b><u><u>\$ 4,118,860</u></u></b>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$2,252,552 within the governmental funds and \$139,922 in the fiduciary funds.

### IV. Receivables

Receivables at June 30, 2020 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Non-Major Funds</u>	
Accounts Receivable	\$ 156,701	\$ -	\$ 271	\$ 156,972
Due From State and Federal	223,512	318,175	38,763	580,450
Due From Other Governments	48,000	-	-	48,000
<b>Total</b>	<b><u><u>\$ 428,213</u></u></b>	<b><u><u>\$ 318,175</u></u></b>	<b><u><u>\$ 39,034</u></u></b>	<b><u><u>\$ 785,422</u></u></b>
BOCES Receivable	427,325	-	-	427,325
<b>Total Receivables</b>	<b><u><u>\$ 855,538</u></u></b>	<b><u><u>\$ 318,175</u></u></b>	<b><u><u>\$ 39,034</u></u></b>	<b><u><u>\$ 1,212,747</u></u></b>

District management has deemed the amounts to be fully collectible.

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

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

	<b>Interfund</b>			
	<b><u>Receivables</u></b>	<b><u>Payables</u></b>	<b><u>Revenues</u></b>	<b><u>Expenditures</u></b>
General Fund	\$ 819,095	\$ 5,404	\$ -	\$ 1,455,435
Special Aid Fund	1,017	586,793	15,703	-
School Lunch Fund	2,903	98,283	-	-
Debt Service Fund	206,108	-	1,335,345	-
Capital Projects Fund	4,387	343,030	104,387	-
<b>Total</b>	<b><u>\$ 1,033,510</u></b>	<b><u>\$ 1,033,510</u></b>	<b><u>\$ 1,455,435</u></b>	<b><u>\$ 1,455,435</u></b>

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

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

VI. **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 6/30/2020</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 26,149	\$ -	\$ -	\$ 26,149
Work in progress	1,556,111	2,195,005	3,751,116	-
<i>Total Nondepreciable</i>	<u>\$ 1,582,260</u>	<u>\$ 2,195,005</u>	<u>\$ 3,751,116</u>	<u>\$ 26,149</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 37,816,476	\$ 3,765,000	\$ -	\$ 41,581,476
Machinery and equipment	4,234,620	124,096	-	4,358,716
<i>Total Depreciated Assets</i>	<u>\$ 42,051,096</u>	<u>\$ 3,889,096</u>	<u>\$ -</u>	<u>\$ 45,940,192</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 14,215,412	\$ 1,068,487	\$ -	\$ 15,283,899
Machinery and equipment	2,669,648	322,110	-	2,991,758
<i>Total Accumulated Depreciation</i>	<u>\$ 16,885,060</u>	<u>\$ 1,390,597</u>	<u>\$ -</u>	<u>\$ 18,275,657</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 25,166,036</u>	<u>\$ 2,498,499</u>	<u>\$ -</u>	<u>\$ 27,664,535</u>
<b>Total Capital Assets</b>	<b><u>\$ 26,748,296</u></b>	<b><u>\$ 4,693,504</u></b>	<b><u>\$ 3,751,116</u></b>	<b><u>\$ 27,690,684</u></b>

( VI. ) ( Continued )

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

**Governmental Activities:**

General Government Support	\$	8,134
Instruction		1,050,031
Pupil Transportation		228,005
School Lunch		104,427
<b>Total Depreciation Expense</b>	<b>\$</b>	<b><u>1,390,597</u></b>

**VII. Short-Term Debt**

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

<u>Type</u>	<u>Original Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>
BAN-Buses	\$ 2,830,000	2020	2.00%	\$ 2,830,000	\$ -	\$ 2,830,000	\$ -
BAN-Buses	\$ 289,000	2021	1.15%	-	289,000	-	289,000
<b>Total Short-Term Debt</b>				<b><u>\$ 2,830,000</u></b>	<b><u>\$ 289,000</u></b>	<b><u>\$ 2,830,000</u></b>	<b><u>\$ 289,000</u></b>

The short-term debt interest for June 30, 2020 was \$56,009.

**VIII. Long-Term Debt Obligations**

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

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
<b><u>Bonds and Notes Payable -</u></b>					
Serial Bonds	\$ 8,960,000	\$ 2,280,000	\$ 1,105,000	\$ 10,135,000	\$ 1,240,000
Unamortized Bond Premium	-	446,254	-	446,254	65,788
<b>Total Bonds and Notes Payable</b>	<b><u>\$ 8,960,000</u></b>	<b><u>\$ 2,726,254</u></b>	<b><u>\$ 1,105,000</u></b>	<b><u>\$ 10,581,254</u></b>	<b><u>\$ 1,305,788</u></b>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ 300,118	\$ 850,892	\$ -	\$ 1,151,010	\$ -
OPEB	2,188,560	-	181,121	2,007,439	-
Compensated Absences	832,778	45,660	-	878,438	263,589
<b>Total Other Liabilities</b>	<b><u>\$ 3,321,456</u></b>	<b><u>\$ 896,552</u></b>	<b><u>\$ 181,121</u></b>	<b><u>\$ 4,036,887</u></b>	<b><u>\$ 263,589</u></b>
<b>Total Long-Term Obligations</b>	<b><u>\$ 12,281,456</u></b>	<b><u>\$ 3,622,806</u></b>	<b><u>\$ 1,286,121</u></b>	<b><u>\$ 14,618,141</u></b>	<b><u>\$ 1,569,377</u></b>

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

( VIII. ) ( Continued )

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2020</u>
Refunded	\$ 2,260,000	2015	2022	2%-4%	\$ 790,000
Reconstruction	\$ 6,840,000	2017	2032	2%-3%	5,635,000
Refunded	\$ 1,770,000	2018	2024	2%-5%	1,430,000
Construction	\$ 2,280,000	2020	2035	5.00%	2,280,000
<b>Total Serial Bonds</b>					<b>\$ 10,135,000</b>

The following is a summary of debt service requirements as of June 30, 2020:

<u>Year</u>	<u>Serial Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,240,000	\$ 384,146
2022	1,315,000	308,162
2023	950,000	261,512
2024	985,000	226,913
2025	630,000	190,863
2026-30	3,085,000	683,363
2031-35	1,930,000	182,950
<b>Total</b>	<b>\$ 10,135,000</b>	<b>\$ 2,237,909</b>

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$770,000 of bonds outstanding are considered defeased.

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

Interest Paid	\$ 262,563
Less: Interest Accrued in the Prior Year	(10,940)
Plus: Interest Accrued in the Current Year	17,378
<b>Total Long-Term Interest Expense</b>	<b>\$ 269,001</b>

**IX. 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	\$ 4,070,080	\$ 1,418,696
OPEB	6,332	320,951
Planned Balance	-	100,000
<b>Total</b>	<b>\$ 4,076,412</b>	<b>\$ 1,839,647</b>

## **X. 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](http://www.nystrs.org).

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

### **C. Funding Policies**

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

( X. ) (Continued)

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

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2020	\$ 223,777	\$ 594,354

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

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Net pension assets/(liability)	\$ 1,151,010	\$ (594,354)
District's portion of the Plan's total net pension asset/(liability)	0.0043466%	0.039229%

For the year ended June 30, 2020, the District recognized pension expenses of \$432,018 for ERS and \$1,260,778 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 67,742	\$ 690,673	\$ -	\$ 75,788
Changes of assumptions	23,176	1,925,370	20,012	469,460
Net difference between projected and actual earnings on pension plan investments	590,064	-	-	817,331
Changes in proportion and differences between the District's contributions and proportionate share of contributions	113,688	28,843	19,762	16,343
Subtotal	\$ 794,670	\$ 2,644,886	\$ 39,774	\$ 1,378,922
District's contributions subsequent to the measurement date	62,818	567,706	-	-
<b>Grand Total</b>	<b>\$ 857,488</b>	<b>\$ 3,212,592</b>	<b>\$ 39,774</b>	<b>\$ 1,378,922</b>

( X. ) (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020	\$ -	\$ 461,477
2021	144,955	29,642
2022	193,680	459,806
2023	232,220	305,102
2024	184,041	39,025
Thereafter	-	(29,088)
<b>Total</b>	<b>\$ 754,896</b>	<b>\$ 1,265,964</b>

**E. Actuarial Assumptions**

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

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

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

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized as follows:



( X. ) (Continued)

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

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

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

**F. Discount Rate**

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.80% for ERS and 6.10% for TRS ) or 1-percentage-point higher (7.80% for ERS and 8.10% for TRS) than the current assumption :

( X. ) (Continued)

	<b>1% Decrease</b>	<b>Current Assumption</b>	<b>1% Increase</b>
<b>ERS</b>	<b><u>(5.80%)</u></b>	<b><u>(6.80%)</u></b>	<b><u>(7.80%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ 2,112,429	\$ 1,151,010	\$ 265,540
		<b>Current Assumption</b>	<b>1% Increase</b>
<b>TRS</b>	<b><u>(6.10%)</u></b>	<b><u>(7.10%)</u></b>	<b><u>(8.10%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ (4,600,478)	\$ 1,019,181	\$ 5,733,442

**H. Pension Plan Fiduciary Net Position**

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

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

**I. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$62,817.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$594,354.

**XI. Postemployment Benefits**

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

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	33
Active Employees	129
<b>Total</b>	<b>162</b>

**B. Total OPEB Liability**

The District’s total OPEB liability of \$2,007,439 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

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

Inflation	2.60 percent
Salary Increases	2.60 percent, average, including inflation
Discount Rate	2.21 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-2017.

( XI. ) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 2,188,560</u>
<u>Changes for the Year -</u>	
Service cost	\$ 58,984
Interest	77,469
Differences between expected and actual experience	(191,830)
Changes in assumptions or other inputs	(56,874)
Benefit payments	<u>(68,870)</u>
Net Changes	<u>\$ (181,121)</u>
<b>Balance at June 30, 2020</b>	<b><u>\$ 2,007,439</u></b>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b><u>(1.21%)</u></b>	<b><u>(2.21%)</u></b>	<b><u>(3.21%)</u></b>
Total OPEB Liability	\$ 2,210,641	\$ 2,007,439	\$ 1,828,154

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
	<b><u>(5.6%</u></b>	<b><u>(6.6%</u></b>	<b><u>(7.6%</u></b>
	<b><u>Decreasing to 3.1%)</u></b>	<b><u>Decreasing to 4.1 %)</u></b>	<b><u>Decreasing to 5.1%)</u></b>
Total OPEB Liability	\$ 1,759,914	\$ 2,007,439	\$ 2,307,740

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$96,155. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

( XI. ) (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,332	\$ (172,054)
Changes of assumptions	-	(148,897)
<b>Total</b>	<b>\$ 6,332</b>	<b>\$ (320,951)</b>

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>	
2021	\$ (40,298)
2022	(40,298)
2023	(40,298)
2024	(40,298)
2025	(40,298)
Thereafter	(113,129)
<b>Total</b>	<b>\$ (314,619)</b>

**XII. 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.

**( XII. ) (Continued)**

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

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2020, the District incurred premiums or contribution expenditures totaling \$157,443.

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, 2019, 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, 2020, the District incurred premiums or contribution expenditures totaling \$1,184,192.

**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.

**( XII. ) (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, 2020, the District incurred premiums or contribution expenditures totaling \$85,256.

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, 2019, 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. The claim and judgment expenditures of this program for the 2019-20 fiscal year totaled \$6,189. The balance of the fund at June 30, 2020 was \$101,811 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2020, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

**XIII. 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.

**XIV. 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 \$197,595. The District received payment in lieu of tax (PILOT) payment totaling \$20,921 to help offset the property tax reduction.

## **XV. Subsequent Event**

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

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

## **XVI. COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

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



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

<b>TOTAL OPEB LIABILITY</b>			
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Service cost	\$ 58,984	\$ 61,740	\$ 59,942
Interest	77,469	68,534	66,706
Differences between expected and actual experiences	(191,830)	-	8,969
Changes of assumptions or other inputs	(56,874)	(128,962)	-
Benefit payments	(68,870)	(70,440)	(82,458)
<b>Net Change in Total OPEB Liability</b>	<u><b>\$ (181,121)</b></u>	<u><b>\$ (69,128)</b></u>	<u><b>\$ 53,159</b></u>
<b>Total OPEB Liability - Beginning</b>	<u><b>\$ 2,188,560</b></u>	<u><b>\$ 2,257,688</b></u>	<u><b>\$ 2,204,529</b></u>
<b>Total OPEB Liability - Ending</b>	<u><u><b>\$ 2,007,439</b></u></u>	<u><u><b>\$ 2,188,560</b></u></u>	<u><u><b>\$ 2,257,688</b></u></u>
Covered Employee Payroll	\$ 7,301,990	\$ 7,251,483	\$ 7,881,008
Total OPEB Liability as a Percentage of Covered Employee Payroll	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 Year Ended June 30, 2020**

<b>NYSERS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.0043466%	0.0042358%	0.0045550%	0.0049180%	0.0050823%	0.0049502%
Proportionate share of the net pension liability (assets)	\$ 1,151,010	\$ 300,118	\$ 147,009	\$ 462,066	\$ 815,725	\$ 167,229
Covered-employee payroll	\$ 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	70.518%	19.170%	8.619%	29.241%	55.126%	10.869%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
<b>NYSTRS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.039229%	0.039628%	0.039591%	0.039399%	0.039512%	0.039107%
Proportionate share of the net pension liability (assets)	\$ (1,019,181)	\$ (716,577)	\$ (300,929)	\$ 421,983	\$ (4,104,077)	\$ (4,356,319)
Covered-employee payroll	\$ 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	-15.906%	-10.618%	-4.571%	6.644%	-67.389%	-72.978%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

**Required Supplementary Information**  
**CALEDONIA - MUMFORD CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of District Contributions**  
**For Year Ended June 30, 2020**

<b>NYSERS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contributions	\$ 225,678	\$ 216,706	\$ 241,126	\$ 231,503	\$ 253,147	\$ 174,721
Contributions in relation to the contractually required contribution	<u>(225,678)</u>	<u>(216,706)</u>	<u>(241,126)</u>	<u>(231,503)</u>	<u>(253,147)</u>	<u>(174,721)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 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	13.83%	13.84%	14.14%	14.65%	17.11%	11.36%

<b>NYSTRS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contributions	\$ 594,354	\$ 632,585	\$ 645,144	\$ 759,935	\$ 827,895	\$ 1,070,499
Contributions in relation to the contractually required contribution	<u>(594,354)</u>	<u>(632,585)</u>	<u>(645,144)</u>	<u>(759,935)</u>	<u>(827,895)</u>	<u>(1,070,499)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 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	9.28%	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 Year Ended June 30, 2020**

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 7,175,040	\$ 6,078,457	\$ 6,081,826	\$ 3,369
Real property tax items	28,000	1,124,583	1,131,911	7,328
Non-property taxes	197,000	197,000	213,031	16,031
Charges for services	227,000	227,000	137,584	(89,416)
Use of money and property	10,000	10,000	12,586	2,586
Sale of property and compensation for loss	5,000	5,000	13,210	8,210
Miscellaneous	67,000	67,000	179,831	112,831
<b>State Sources -</b>				
Basic formula	9,133,126	7,713,126	7,660,723	(52,403)
Lottery aid	-	1,420,000	1,414,171	(5,829)
BOCES	905,000	905,000	969,271	64,271
Textbooks	63,355	63,355	69,278	5,923
<b>All Other Aid -</b>				
Computer software	13,740	13,740	25,506	11,766
Library loan	-	-	4,893	4,893
Other aid	-	-	25,202	25,202
<b>Federal Sources</b>	<u>20,000</u>	<u>20,000</u>	<u>80,399</u>	<u>60,399</u>
<b>TOTAL REVENUES</b>	<u>\$ 17,844,261</u>	<u>\$ 17,844,261</u>	<u>\$ 18,019,422</u>	<u>\$ 175,161</u>
Appropriated reserves	<u>\$ 130,000</u>	<u>\$ 130,000</u>		
Appropriated fund balance	<u>\$ 365,000</u>	<u>\$ 365,000</u>		
Prior year encumbrances	<u>\$ 115,677</u>	<u>\$ 115,677</u>		
<b>TOTAL REVENUES AND</b>				
<b>APPROPRIATED RESERVES/</b>				
<b>FUND BALANCE</b>	<u><u>\$ 18,454,938</u></u>	<u><u>\$ 18,454,938</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 Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Current Year's Expenditures</b>	<b>Encumbrances</b>	<b>Unencumbered Balances</b>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 19,589	\$ 20,939	\$ 14,705	\$ -	\$ 6,234
Central administration	224,629	263,129	243,152	4	19,973
Finance	195,866	277,862	206,202	3,370	68,290
Staff	108,443	77,968	61,985	-	15,983
Central services	1,292,241	1,932,974	1,499,250	248,085	185,639
Special items	328,812	332,012	324,957	-	7,055
<b>Instructional -</b>					
Instruction, administration and improvement	556,299	510,197	443,837	1,207	65,153
Teaching - regular school	4,624,092	4,860,227	4,604,360	65,038	190,829
Programs for children with handicapping conditions	2,608,608	2,344,608	2,235,231	3,580	105,797
Occupational education	609,212	559,212	515,885	282	43,045
Teaching - special schools	27,095	53,095	46,425	-	6,670
Instructional media	888,170	543,020	394,670	128,314	20,036
Pupil services	979,694	912,996	819,097	16,134	77,765
<b>Pupil Transportation</b>	841,245	771,253	666,256	8,120	96,877
<b>Community Services</b>	15,976	15,976	14,455	-	1,521
<b>Employee Benefits</b>	3,610,622	3,435,035	3,247,546	-	187,489
<b>Debt service - principal</b>	78,000	82,000	82,000	-	-
<b>Debt service - interest</b>	11,000	7,000	5,072	-	1,928
<b>TOTAL EXPENDITURES</b>	<u>\$ 17,019,593</u>	<u>\$ 16,999,503</u>	<u>\$ 15,425,085</u>	<u>\$ 474,134</u>	<u>\$ 1,100,284</u>
<b>Other Uses -</b>					
Transfers - out	\$ 1,435,345	\$ 1,455,435	\$ 1,455,435	\$ -	\$ -
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 18,454,938</u>	<u>\$ 18,454,938</u>	<u>\$ 16,880,520</u>	<u>\$ 474,134</u>	<u>\$ 1,100,284</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	\$ -	\$ 1,138,902		
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,536,837</u>	<u>2,536,837</u>	<u>2,536,837</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,536,837</u>	<u>\$ 2,536,837</u>	<u>\$ 3,675,739</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 Year Ended June 30, 2020**

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

Adopted budget		\$ 18,339,261
Prior year's encumbrances		<u>115,677</u>
<b>FINAL BUDGET</b>		<b><u><u>\$ 18,454,938</u></u></b>

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

2020-201 voter approved expenditure budget		\$ 18,439,261
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 839,134	
Unassigned fund balance	<u>734,712</u>	
Total Unrestricted fund balance	<u>\$ 1,573,846</u>	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 365,000	
Encumbrances included in assigned fund balance	<u>474,134</u>	
Total adjustments	<u>\$ 839,134</u>	
General fund fund balance subject to Section 1318 of Real Property Tax Law		<u>734,712</u>
<b>ACTUAL PERCENTAGE</b>		<b><u><u>3.98%</u></u></b>

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

<b>Project Title</b>	<b>Expenditures</b>					<b>Unexpended Balance</b>	<b>Methods of Financing</b>				<b>Fund Balance</b>
	<b>Original Appropriation</b>	<b>Revised Appropriation</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>		<b>Obligations</b>	<b>Local Sources</b>	<b>Transfers</b>	<b>Total</b>	
2016-2017 Bus Purchases	\$ 211,000	\$ 211,000	\$ 194,599	\$ -	\$ 194,599	\$ 16,401	\$ -	\$ 129,600	\$ (5,001)	\$ 124,599	\$ (70,000)
2017-2018 Bus Purchases	116,500	116,500	116,011	-	116,011	489	-	108,011	-	108,011	(8,000)
2018-19 Bus Purchases	118,000	118,000	116,979	-	116,979	1,021	-	22,000	(21)	21,979	(95,000)
2019-2020 Bus Purchases	130,000	130,000	-	125,409	125,409	4,591	-	4,387	5,022	9,409	(116,000)
2019-20 Capital Outlay	100,000	100,000	-	100,000	100,000	-	-	100,000	-	100,000	-
2020 Capital Project	<u>3,665,000</u>	<u>3,665,000</u>	<u>1,556,111</u>	<u>2,095,005</u>	<u>3,651,116</u>	<u>13,884</u>	<u>2,280,000</u>	<u>1,385,000</u>	<u>-</u>	<u>3,665,000</u>	<u>13,884</u>
<b>TOTAL</b>	<b><u>\$ 4,340,500</u></b>	<b><u>\$ 4,340,500</u></b>	<b><u>\$ 1,983,700</u></b>	<b><u>\$ 2,320,414</u></b>	<b><u>\$ 4,304,114</u></b>	<b><u>\$ 36,386</u></b>	<b><u>\$ 2,280,000</u></b>	<b><u>\$ 1,748,998</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,028,998</u></b>	<b><u>\$ (275,116)</u></b>

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

	<b>Special Revenue Fund</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>School Lunch Fund</b>	<b>Debt Service Fund</b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 99,114	\$ 174,195	\$ 273,309
Receivables	39,034	-	39,034
Inventories	18,547	-	18,547
Due from other funds	2,903	206,108	209,011
<b>TOTAL ASSETS</b>	<b>\$ 159,598</b>	<b>\$ 380,303</b>	<b>\$ 539,901</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b><u>Liabilities</u> -</b>			
Accrued liabilities	\$ 4,216	\$ -	\$ 4,216
Due to other funds	98,283	-	98,283
Due to other governments	53	-	53
Unearned revenue	10,343	-	10,343
<b>TOTAL LIABILITIES</b>	<b>\$ 112,895</b>	<b>\$ -</b>	<b>\$ 112,895</b>
 <b><u>Fund Balances</u> -</b>			
Nonspendable	\$ 18,547	\$ -	\$ 18,547
Restricted	-	380,303	380,303
Assigned	28,156	-	28,156
<b>TOTAL FUND BALANCE</b>	<b>\$ 46,703</b>	<b>\$ 380,303</b>	<b>\$ 427,006</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 159,598</b>	<b>\$ 380,303</b>	<b>\$ 539,901</b>



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

	<u>Special Revenue Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch Fund</u>	<u>Debt Service Fund</u>	
<b>REVENUES</b>			
Use of money and property	\$ 89	\$ 1,263	\$ 1,352
State sources	8,150	-	8,150
Federal sources	220,609	-	220,609
Sales	128,627	-	128,627
Premium on obligations issued	-	3,999	3,999
<b>TOTAL REVENUES</b>	<b><u>\$ 357,475</u></b>	<b><u>\$ 5,262</u></b>	<b><u>\$ 362,737</u></b>
<b>EXPENDITURES</b>			
Employee benefits	\$ 53,658	\$ -	\$ 53,658
Debt service - principal	-	1,105,000	1,105,000
Debt service - interest	-	313,776	313,776
Cost of sales	182,847	-	182,847
Other expenses	171,198	-	171,198
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 407,703</u></b>	<b><u>\$ 1,418,776</u></b>	<b><u>\$ 1,826,479</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>\$ (50,228)</u></b>	<b><u>\$ (1,413,514)</u></b>	<b><u>\$ (1,463,742)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers - in	\$ -	\$ 1,335,345	\$ 1,335,345
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,335,345</u></b>	<b><u>\$ 1,335,345</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (50,228)</u></b>	<b><u>\$ (78,169)</u></b>	<b><u>\$ (128,397)</u></b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b><u>96,931</u></b>	<b><u>458,472</u></b>	<b><u>555,403</u></b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 46,703</u></b>	<b><u>\$ 380,303</u></b>	<b><u>\$ 427,006</u></b>

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

<b>Capital assets, net</b>		\$ 27,690,684
<b>Add:</b>		
Unspent bond proceeds	\$ 13,884	
	<u>13,884</u>	13,884
<b>Deduct:</b>		
Short-term portion of bonds payable	\$ 1,105,000	
Long-term portion of bonds payable	9,030,000	
Assets purchased with short-term financing	289,000	
Unamortized bond premium	<u>446,254</u>	
		<u>10,870,254</u>
<b>Net Investment in Capital Assets</b>		<b><u><u>\$ 16,834,314</u></u></b>

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

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<b><u>U.S. Department of Education:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department -</u></b>				
<b><u>Special Education Cluster IDEA -</u></b>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-20-0334	\$ 208,287
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-20-0334	7,738
<b><i>Total Special Education Cluster IDEA</i></b>				<b><u>\$ 216,025</u></b>
Title IVA - Student Support and Academic Enrichments Grants	84.424	N/A	0409-20-1245	10,000
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-20-1245	25,788
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-20-1245	129,947
<b>Total U.S. Department of Education</b>				<b><u>\$ 381,760</u></b>
<b><u>U.S. Department of Agriculture:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department -</u></b>				
<b><u>Child Nutrition Cluster -</u></b>				
National School Lunch Program	10.555	N/A	N/A	\$ 71,387
National School Lunch Program - COVID-19	10.555	N/A	N/A	59,815
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	N/A	27,386
National School Breakfast Program	10.553	N/A	N/A	24,208
National School Breakfast Program - COVID-19	10.553	N/A	N/A	37,813
<b><i>Total Child Nutrition Cluster</i></b>				<b><u>\$ 220,609</u></b>
<b>Total U.S. Department of Agriculture</b>				<b><u>\$ 220,609</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b><u>\$ 602,369</u></b>

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

**Independent Auditors' Report**

To the Board of Education  
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, 2020, 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 14, 2020.

***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 14, 2020.

*Mengel, Metzger, Barw & Co. LLP*