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WHITESBORO CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2021

**WHITESBORO CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Whitesboro Central School District

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 Whitesboro Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School 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 Whitesboro Central School District, as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New Accounting Standard

As discussed in Note 1 to the financial statements, the District changed accounting policies related to the accounting and reporting of fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*. The new pronouncement changes the criteria used to determine which government activities are considered fiduciary and provides guidance on accounting and reporting for the fiduciary activities identified. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, the prior year's Government-wide net position, Miscellaneous Special Revenue Fund Balance, and Custodial Fund net position were increased to adjust for the cumulative effect of implementing the new accounting standard.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, 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 Whitesboro Central School District's basic financial statements as a whole. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis as required by New York State Education Department and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, on our consideration of the Whitesboro Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Whitesboro Central School 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 Whitesboro Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 19, 2021

Rome, New York

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

The Whitesboro Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

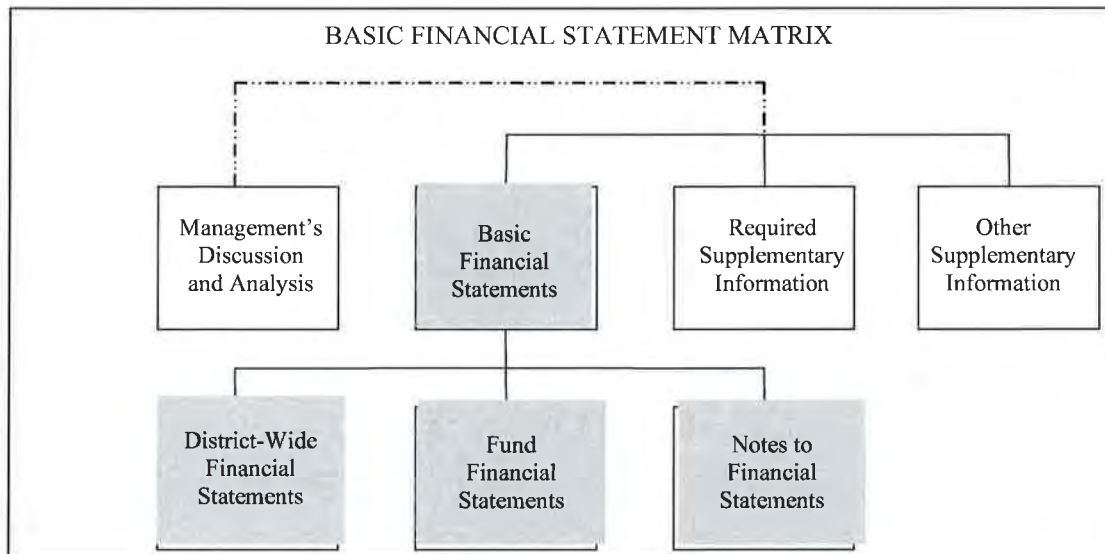
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- The District's total Net Position, as reflected in the District-wide financial statements, decreased by \$216,026 to a deficit balance of \$72,602,546.
- The current total net position is a deficit in the amount of \$72,602,546. The deficit is primarily the result of the liability for Other Postemployment Benefits, which requires the recognition of an unfunded liability of \$154,111,457 at June 30, 2021. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$72,697,694. Of this amount \$3,482,301 was offset by program charges for services, operating grants and capital grants. General revenues of \$68,999,367 amount to 95.2% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$1,730,448 to a total balance of \$17,540,425. This was due mainly to the District's actual revenues and other sources that were under budget by \$3,407,574 or approximately 4.7% of the budget. In addition, the District under expended the budget, after encumbrances, by \$4,691,403 or approximately 6.5% of the budget.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of District-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



See Independent Auditor's Report.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

A. District-Wide Financial Statements

The District-Wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-Wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in Net Position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. 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 District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds, General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position, decreased by \$216,026 between fiscal year 2021 and 2020. A summary of the District's Statement of Net Position for June 30, 2021 and 2020 is as follows:

| | 2021 | (Restated) 2020 | Increase (Decrease) | Percentage Change |
|---|------------------------------|------------------------------|-----------------------------|----------------------|
| Current and Other Assets | \$ 40,132,572 | \$ 26,092,651 | \$ 14,039,921 | 53.8% |
| Net Pension Asset - Proportionate Share | | 3,552,539 | (3,552,539) | (100.0%) |
| Capital Assets, (Net of Depreciation) | 91,403,852 | 85,800,749 | 5,603,103 | 6.5% |
| Total Assets | <u>131,536,424</u> | <u>115,445,939</u> | <u>16,090,485</u> | 13.9% |
| Deferred Outflows of Resources | <u>41,392,341</u> | <u>18,229,435</u> | <u>23,162,906</u> | 127.1% |
| Total Assets and Deferred Outflows of Resources | <u>\$ 172,928,765</u> | <u>\$ 133,675,374</u> | <u>\$ 39,253,391</u> | 29.4% |
| Non-Current Liabilities | \$ 190,799,831 | \$ 167,983,606 | \$ 22,816,225 | 13.6% |
| Net Pension Liability - Proportionate Share | 3,855,842 | 4,842,304 | (986,462) | (20.4%) |
| Other Liabilities | 27,381,123 | 9,651,972 | 17,729,151 | 183.7% |
| Total Liabilities | <u>222,036,796</u> | <u>182,477,882</u> | <u>39,558,914</u> | 21.7% |
| Deferred Inflows of Resources | <u>23,494,515</u> | <u>23,584,012</u> | <u>(89,497)</u> | (0.4%) |
| Total Liabilities and Deferred Inflows of Resources | <u>245,531,311</u> | <u>206,061,894</u> | <u>39,469,417</u> | 19.2% |
| Net Investment in Capital Assets | 33,263,768 | 40,728,803 | (7,465,035) | (18.3%) |
| Restricted | 10,727,627 | 9,304,268 | 1,423,359 | 15.3% |
| Unrestricted (Deficit) | <u>(116,593,941)</u> | <u>(122,419,591)</u> | <u>5,825,650</u> | 4.8% |
| Total Net Position (Deficit) | <u>(72,602,546)</u> | <u>(72,386,520)</u> | <u>(216,026)</u> | (0.3%) |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 172,928,765</u> | <u>\$ 133,675,374</u> | <u>\$ 39,253,391</u> | 29.4% |

Current and other assets increased by \$14,039,921, as compared to the prior year. This increase is primarily due to an increase in restricted cash in the amount of \$14,837,067 due to bond anticipation notes increasing by \$17,081,066.

Capital assets (net of depreciation) increased by \$5,603,103, as compared to the prior year. This increase is primarily due to additions exceeding depreciation expense. Note 6 to the Financial Statements provides additional information.

The District accounts for its proportionate share of net assets and deferred outflows, and/or liabilities and deferred inflows in the New York State Teachers' Retirement System and Employees' Retirement Systems. The net change in these accounts for the year resulted in a \$1,048,617 increase in the District's net position.

Non-current liabilities increased by \$22,816,225, as compared to the prior year. This increase is primarily the result of the OPEB liability increasing from \$127,699,952 to the year-end amount of \$154,111,457, or a total increase of \$26,411,505. This increase was offset by the \$3,955,000 of principle payments on serial bonds payable.

The change in the OPEB liability combined with the respective deferred inflows and outflows decreased the District's Net Position by \$3,440,877 for the year.

Other Liabilities increased by \$17,729,205 in the current year, primarily due to bond anticipation notes increasing by \$17,081,066 and accrued liabilities increasing by \$217,941.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

The Net Position – net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The restricted net position at June 30, 2021 is \$10,727,627 which represents the amount of the District's reserves and other restricted funds in the Debt Service Fund and Miscellaneous Special Revenue Fund.

The unrestricted portion of the net position at June 30, 2021, is a deficit of \$116,593,941, and represents the amount by which the District's liabilities exceeded assets, excluding restricted assets, capital assets, and debt related to capital construction. This deficit is primarily a result of the requirement to accrue other postemployment benefits. The liability for this obligation is \$154,111,457 at June 30, 2021.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements, STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows.

| Revenues | <u>2021</u> | <u>2020</u> | <u>Increase (Decrease)</u> | <u>Percentage Change</u> |
|-----------------------------------|---------------------|---------------------|--------------------------------|------------------------------|
| Program Revenues | | | | |
| Charges for Services | \$ 124,844 | \$ 381,704 | \$ (256,860) | (67.3%) |
| Operating Grants | 2,435,919 | 2,413,031 | 22,888 | 0.9% |
| Capital Grants | 921,538 | | 921,538 | 100.0% |
| General Revenues | | | | |
| Property Taxes and STAR | 32,981,745 | 32,312,983 | 668,762 | 2.1% |
| State and Federal Sources | 33,596,058 | 33,001,513 | 594,545 | 1.8% |
| Other | <u>2,421,564</u> | <u>1,606,499</u> | <u>815,065</u> | 50.7% |
| Total Revenues | <u>72,481,668</u> | <u>69,715,730</u> | <u>2,765,938</u> | 4.0% |
| Expenses | | | | |
| General Support | 8,936,250 | 8,784,161 | 152,089 | 1.7% |
| Instruction | 57,360,151 | 53,176,472 | 4,183,679 | 7.9% |
| Pupil Transportation | 4,364,444 | 4,189,052 | 175,392 | 4.2% |
| Debt Service-Unallocated Interest | 940,128 | 1,295,409 | (355,281) | (27.4%) |
| Food Service Program | <u>1,096,721</u> | <u>1,215,396</u> | <u>(118,675)</u> | (9.8%) |
| Total Expenses | <u>72,697,694</u> | <u>68,660,490</u> | <u>4,037,204</u> | 5.9% |
| Total Change in Net Position | <u>\$ (216,026)</u> | <u>\$ 1,055,240</u> | <u>\$ (1,271,266)</u> | |

The District's revenues increased by \$2,765,938 in 2021 from 2020. The major factors that contributed to the increase were:

- The State and federal revenue increased by a net of \$594,545 or 1.8% in 2021. This was mainly due to increases in BOCES Aid by \$988,960 and COVID-19 Relief Aid of \$481,458 offset by decreases in Foundation Aid of \$385,175, Lottery Aid of \$221,405 and Medicaid of \$307,435.
- Capital Grants of \$921,538 were received for Smart School Bond Act project funding.
- Property taxes and STAR revenues increased by \$668,762 or 2.1%, in accordance with the approved budget.

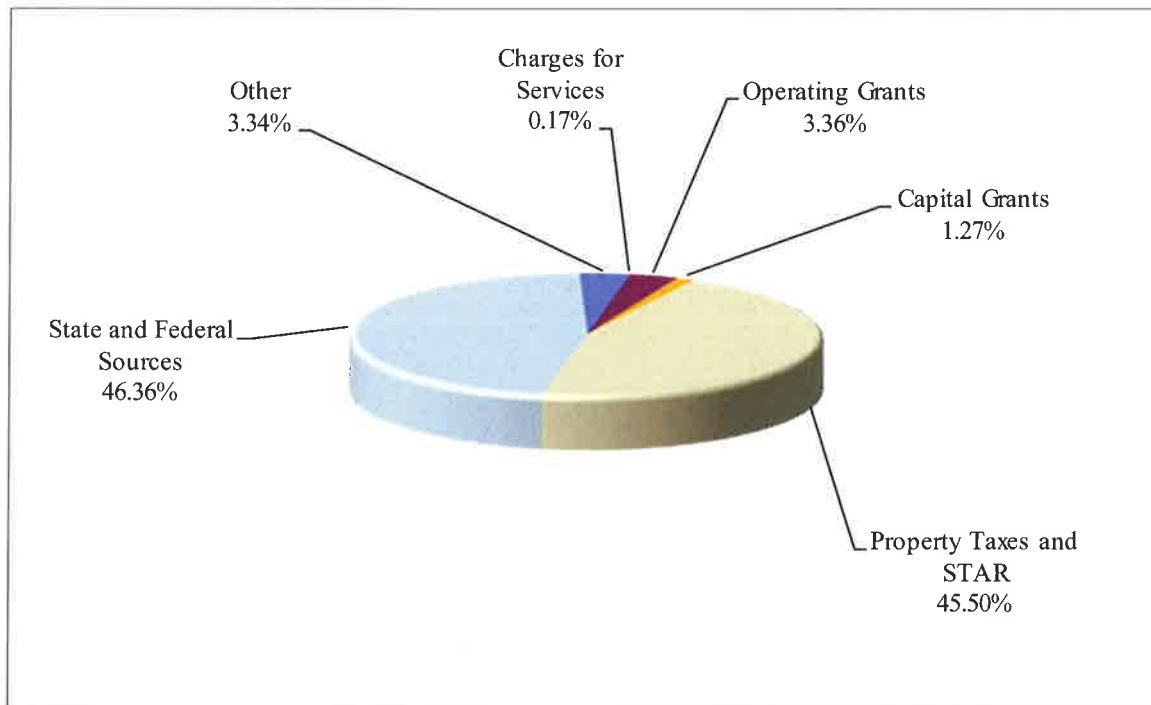
The District's expenses for the year increased by \$4,037,204. The major factor that contributed to this increase was the NYS Pension expense recognized in the current year of \$2,503,922.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

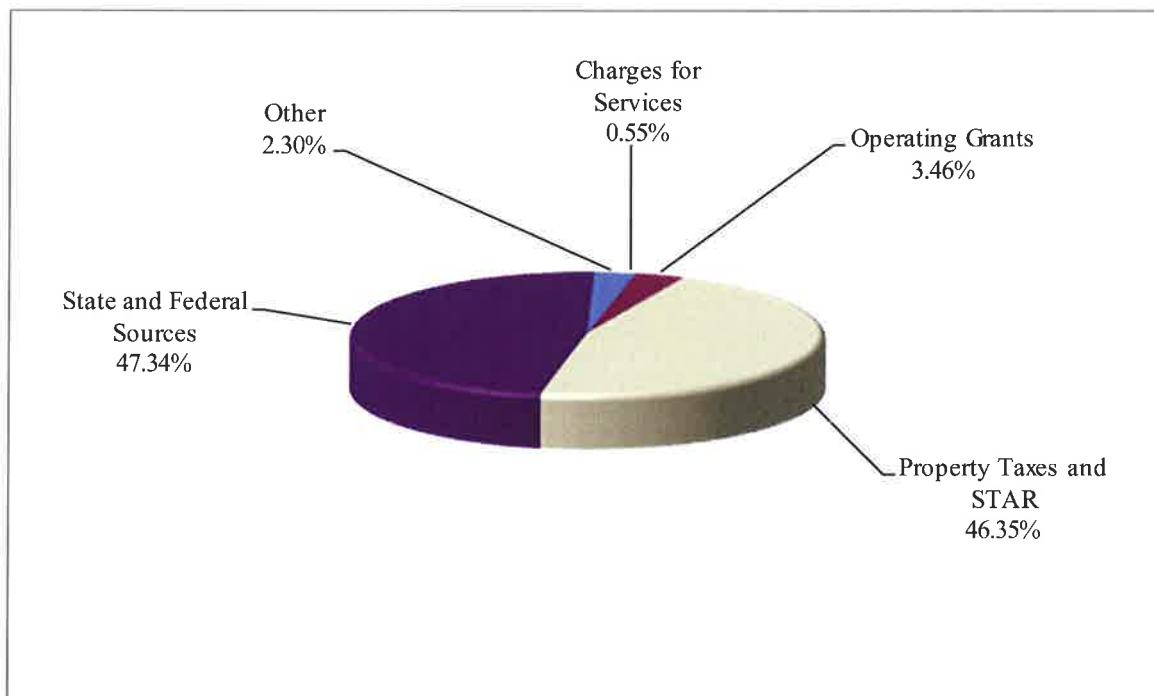
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A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2021



For the Year Ended June 30, 2020



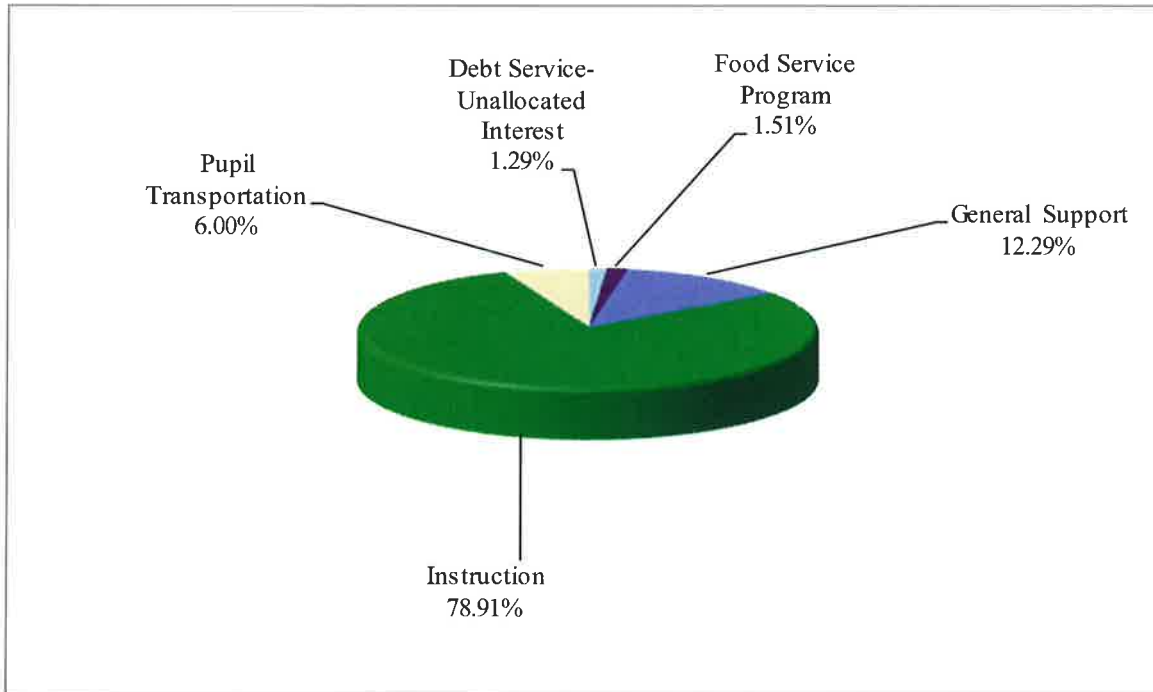
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**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

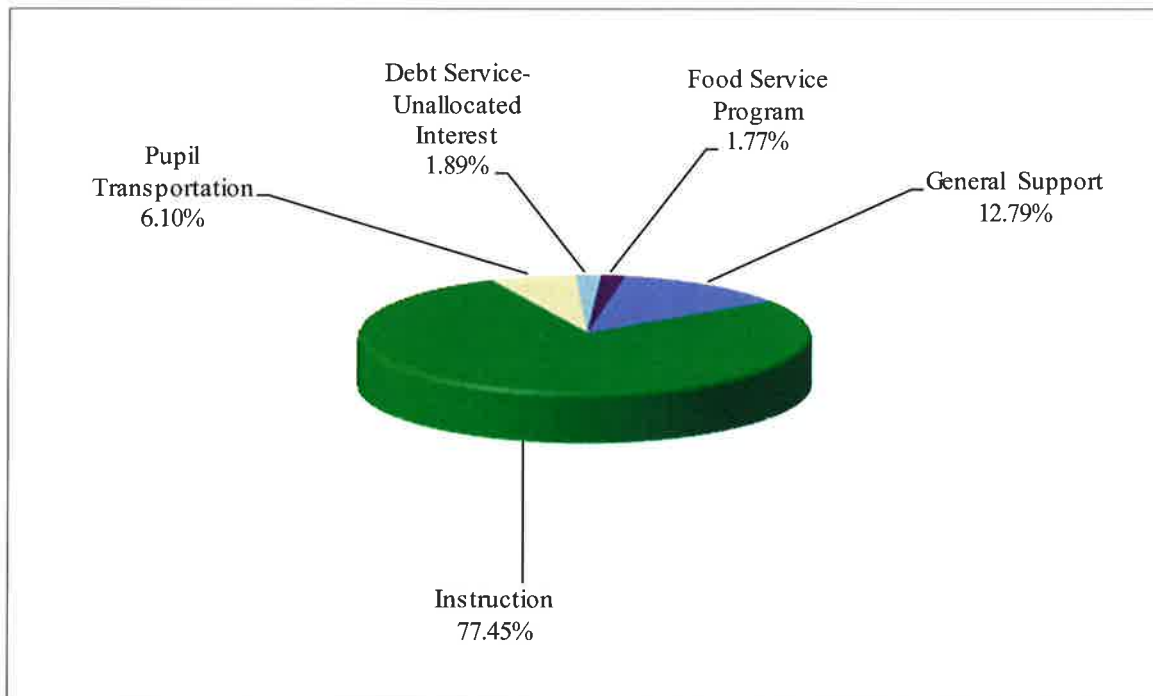
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A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2021



For the Year Ended June 30, 2020



See Independent Auditor's Report.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$10,277,720 which is a decrease of \$3,750,824 from the prior year. A summary of the change in fund balance by fund is as follows:

| | 2021 | (Restated) 2020 | Increase (Decrease) |
|---|----------------------|----------------------|------------------------|
| General Fund | | | |
| Restricted | | | |
| Workers' Compensation | \$ 235,549 | \$ 210,528 | \$ 25,021 |
| Unemployment Insurance | 211,551 | 186,537 | 25,014 |
| Retirement Contribution-ERS | 1,411,519 | 1,261,393 | 150,126 |
| Retirement Contribution-TRS | 1,240,886 | 705,828 | 535,058 |
| Employee Benefit Accrued Liability | 387,645 | 387,606 | 39 |
| Property Loss | 1,482,127 | 1,481,996 | 131 |
| Insurance | 511,171 | 511,137 | 34 |
| Tax Certiorari | 1,029,430 | 621,368 | 408,062 |
| Capital Reserve | 2,496,388 | 1,871,218 | 625,170 |
| Repair Reserve | 304,997 | 304,967 | 30 |
| Total Restricted | <u>9,311,263</u> | <u>7,542,578</u> | <u>1,768,685</u> |
| Assigned | | | |
| Appropriated for Subsequent Year's Budget | 4,800,000 | 4,850,000 | (50,000) |
| General Support | 178,863 | 132,212 | 46,651 |
| Instruction | 254,065 | 255,926 | (1,861) |
| Pupil Transportation | 12,895 | 22,317 | (9,422) |
| Employee Benefits | 796 | 11,956 | (11,160) |
| Total Assigned | <u>5,246,619</u> | <u>5,272,411</u> | <u>(25,792)</u> |
| Unassigned | <u>2,982,543</u> | <u>2,994,988</u> | <u>(12,445)</u> |
| Total General Fund | <u>17,540,425</u> | <u>15,809,977</u> | <u>1,730,448</u> |
| School Lunch Fund | | | |
| Nonspendable | 43,673 | 32,990 | 10,683 |
| Assigned | <u>228,427</u> | <u>292,143</u> | <u>(63,716)</u> |
| Total School Lunch Fund | <u>272,100</u> | <u>325,133</u> | <u>(53,033)</u> |
| Federal Fund | | | |
| Unassigned | <u>(481)</u> | <u></u> | <u>(481)</u> |
| Miscellaneous Special Revenue Fund | | | |
| Restricted | <u>100,413</u> | <u>104,608</u> | <u>(4,195)</u> |
| Debt Service Fund | | | |
| Restricted | <u>1,315,951</u> | <u>943,077</u> | <u>372,874</u> |
| Capital Fund | | | |
| Restricted | | 714,005 | (714,005) |
| Unassigned (Deficit) | <u>(8,950,688)</u> | <u>(3,868,256)</u> | <u>(5,082,432)</u> |
| Total Capital Fund (Deficit) | <u>(8,950,688)</u> | <u>(3,154,251)</u> | <u>(5,796,437)</u> |
| Total | <u>\$ 10,277,720</u> | <u>\$ 14,028,544</u> | <u>\$ (3,750,824)</u> |

See Independent Auditor's Report.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

At June 30, 2021, the Capital Fund's unassigned deficit of \$8,950,688 mainly represents the portion of the voter approved bus purchases and 2014 capital project, that have not been permanently financed. The District issues short term bond anticipation notes to temporarily fund the deficits. Each year a portion of the BANs payable is redeemed from current appropriations. The deficit will be eliminated when the BAN's are fully redeemed or paid through the issuance of serial bonds.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's General Fund adopted budget for the year ended June 30, 2021, was \$71,801,276. This is an increase of \$1,519,147 over the prior years' adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$32,919,276 in estimated property taxes and STAR and \$32,800,000 from State Aid.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

| | |
|---|---------------------|
| Opening, Unassigned Fund Balance | \$ 2,994,988 |
| Revenues and Other Financing Sources under Budget | (3,407,574) |
| Carryover Encumbrances from June 30, 2020 | 422,411 |
| Expenditures and Encumbrances under Budget | 4,691,403 |
| Decrease in Assigned - Appropriated Fund Balance | 50,000 |
| Net Increase to Restricted Funds | (1,768,685) |
| Closing, Unassigned Fund Balance | <u>\$ 2,982,543</u> |

Opening, Unassigned Fund Balance

The \$2,994,988 shown in the table is the portion of the District's June 30, 2020, fund balance that was retained unassigned. This was 4.17% of the District's 2020-2021 approved operating budget.

Revenues and Other Financing Sources Under Budget

The 2020-2021 budget for revenues was \$66,951,276. The actual revenues received for the year were \$68,748,914. The actual revenue was over the budgeted revenue by \$1,797,638. This variance and the appropriated fund balance and reserves totaled to an actual and planned shortfall of \$3,407,574. This contributed directly to the change to the unassigned portion of the General Fund balance from June 30, 2020 to June 30, 2021.

Expenditures and Encumbrances Under Budget

The 2020-2021 budget for expenditures with carryover encumbrances and appropriated reserves was \$72,223,687. The actual expenditures and encumbrances were \$67,085,665. The final budget was under expended by \$4,691,403, after encumbrances. This under expenditure and encumbrances contribute to the change to the unassigned portion of the General Fund balance from June 30, 2020 to June 30, 2021.

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

Decrease in Assigned Funds

The District decreased the amounts in their assigned funds during the current year in the amount of \$50,000 which was allocated back to unassigned funds.

Increase in Restricted Funds

The District increased the amounts in their reserve accounts during the current year in the amount of \$1,768,685. The District increased the Worker's Compensation reserve by \$25,000, the Unemployment Insurance Reserve by \$25,000, the Employees' Retirement Contribution Reserve by \$150,000, the Teachers' Retirement Contribution Reserve by \$535,00, the Tax Certiorari by \$408,000 and the Capital Reserve by \$625,170. This was all offset by \$200,000 for the use of Employee Benefit Accrued Liability Reserve.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2021-2022 fiscal year with an unassigned fund balance of \$2,982,543. This was 3.99% of the District's 2021-2022 approved operating budget. This is a decrease of \$12,445 from the unassigned balance from the prior year.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2021, the District had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital additions exceeding depreciation expense for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020, is as follows:

| | 2021 | 2020 | Increase (Decrease) |
|------------------------------------|----------------------|----------------------|------------------------|
| Land | \$ 1,387,168 | \$ 1,387,168 | \$ |
| Construction in Progress | 30,898,969 | 23,540,307 | 7,358,662 |
| Buildings and Improvements | 56,580,717 | 58,275,109 | (1,694,392) |
| Furniture, Equipment, and Vehicles | 2,536,998 | 2,598,166 | (61,168) |
| Capital Assets, Net | <u>\$ 91,403,852</u> | <u>\$ 85,800,750</u> | <u>\$ 5,603,102</u> |

B. Debt Administration

At June 30, 2021, the District had total bonds payable of \$32,820,000. The serial bonds of \$32,820,000 and the bond anticipation notes of \$22,460,067 exhausted 34% of the District's State Constitutional Debt Limit. A summary of the outstanding debt at June 30, 2021 and 2020, is as follows:

| Issue Date | Interest Rate | 2021 | 2020 | Increase (Decrease) |
|----------------------|------------------|----------------------|----------------------|------------------------|
| 2012 | 2.00-3.00% | \$ | \$ 15,190,000 | \$ (15,190,000) |
| 2012 Refunding Bonds | 2.50-3.00% | 11,905,000 | | 11,905,000 |
| 2013 | 3.25-3.50% | | 2,905,000 | (2,905,000) |
| 2013 Refunding Bonds | 1.00-4.00% | 2,510,000 | | 2,510,000 |
| 2015 | 2.00-3.00% | 1,720,000 | 1,900,000 | (180,000) |
| 2016 | 1.98% | 5,540,000 | 6,010,000 | (470,000) |
| 2017 DASNY | 3.75-5.00% | 11,145,000 | 11,875,000 | (730,000) |
| | | <u>\$ 32,820,000</u> | <u>\$ 37,880,000</u> | <u>\$ (5,060,000)</u> |

**WHITESBORO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

(Continued)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Whitesboro Central School community once again demonstrated both their unwavering support of our schools and trust in our District. Overwhelmingly, our budget and bus purchases were approved. The approval rates for each of these were over 70%!

At the annual meeting on May 18, 2021, voters approved the proposed \$74,702,240 spending plan. Voters in the Whitesboro Central School District also authorized the additional expenditure, up to \$723,000 to replace four sixty-six passenger buses and two thirty passenger buses. The designated fund balance applied to the 2021-22 budget is \$4,800,000.

The District continues to work with local and State resources to improve District safety programs while continuing its ongoing review of its Emergency Response Plans. The District increased its internal and external video surveillance program at the secondary buildings, while also improving internal emergency response procedures/protocols. The District worked closely with all local fire and law enforcement agencies to enhance overall communication and emergency response capabilities.

The approved 2021-22 School Budget had a 4.04% increase in spending and the District stayed within its 2021-22 levy limit of 1.96%. The expenditure increase was primarily a result of contractual salary increases and increases to employee benefits.

The District operates a food service program that provides healthy, affordable meals to its students. The financial stability of the program ensures that meals will continue to be available to both students and staff of the District.

The Board of Education has agreements with the Whitesboro Administrator Organization, the Whitesboro Teacher Association and the Whitesboro Employees Union, as it continues to work closely with staff and administration to monitor and maintain the financial stability of the School District through careful financial planning and prudent fiscal management.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at:

**Whitesboro Central School District
Business Office
65 Oriskany Boulevard, Suite 1
Whitesboro, NY 13492**

WHITESBORO CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

| | |
|--|------------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 12,892,190 |
| Restricted Cash and Cash Equivalents | 23,141,304 |
| Receivables | |
| Other Governments | 3,986,783 |
| Other Receivables | 68,622 |
| Inventory | 43,673 |
| Capital Assets (Net of Accumulated Depreciation) | 59,117,715 |
| Capital Assets (Not being Depreciated) | <u>32,286,137</u> |
| Total Assets | <u>131,536,424</u> |
| Deferred Outflows of Resources | |
| Deferred Charge on Refunding of Debt (Net of Amortization) | 219,620 |
| Deferred Outflow - OPEB | 24,223,195 |
| Deferred Outflow - Pensions | <u>16,949,526</u> |
| Total Deferred Outflow of Resources | <u>41,392,341</u> |
| Total Assets and Deferred Outflows of Resources | \$ <u>172,928,765</u> |
| Liabilities | |
| Accounts Payable | \$ 198,502 |
| Accrued Liabilities | 1,576,848 |
| Due To | |
| Other Governments | 22,409 |
| Teachers' Retirement System | 2,365,755 |
| Employees' Retirement System | 243,791 |
| Short-Term Notes Payables | |
| Bond Anticipation Notes | 22,460,067 |
| Unearned Revenue | 513,751 |
| Net Pension Liability - Proportionate Share | 3,855,842 |
| Noncurrent Liabilities | |
| Due Within One Year | |
| Bonds Payable | 6,190,000 |
| Unamortized Premium | 404,748 |
| Compensated Absences | 353,808 |
| Due in More Than One Year | |
| Bonds Payable | 26,630,000 |
| Unamortized Premium | 2,674,889 |
| Other Postemployment Benefits | 154,111,457 |
| Compensated Absences | <u>434,929</u> |
| Total Liabilities | <u>222,036,796</u> |
| Deferred Inflows of Resources | |
| Deferred Inflow - Pensions | 7,204,458 |
| Deferred Inflow - OPEB | <u>16,290,057</u> |
| Total Deferred Inflow of Resources | <u>23,494,515</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>245,531,311</u> |
| Net Position (Deficit) | |
| Net Investment in Capital Assets | 33,263,768 |
| Restricted | 10,727,627 |
| Unrestricted (Deficit) | <u>(116,593,941)</u> |
| Total Net Position (Deficit) | <u>(72,602,546)</u> |
| Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit) | \$ <u>172,928,765</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|--|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| General Support | \$ 8,936,250 | \$ | \$ | \$ | \$ (8,936,250) |
| Instruction | 57,360,151 | 88,167 | 1,512,052 | 921,538 | (54,838,394) |
| Pupil Transportation | 4,364,444 | | | | (4,364,444) |
| Debt Service - Unallocated Interest | 940,128 | | | | (940,128) |
| Food Service | 1,096,721 | 36,677 | 923,867 | | (136,177) |
| Total Functions/Programs | <u>\$ 72,697,694</u> | <u>\$ 124,844</u> | <u>\$ 2,435,919</u> | <u>\$ 921,538</u> | <u>(69,215,393)</u> |
| General Revenues | | | | | |
| Real Property Taxes | | | | | 28,043,182 |
| STAR and Other Real Property Tax Items | | | | | 4,938,563 |
| Use of Money and Property | | | | | 663,896 |
| State and Federal Sources | | | | | 33,596,058 |
| Miscellaneous | | | | | <u>1,757,668</u> |
| Total General Revenues | | | | | <u>68,999,367</u> |
| Change in Net Position | | | | | <u>(216,026)</u> |
| Net Position (Deficit), Beginning of Year | | | | | (72,491,128) |
| Cumulative Effect of Change in Accounting Principle | | | | | <u>104,608</u> |
| Net Position (Deficit), Beginning of Year, as Restated | | | | | <u>(72,386,520)</u> |
| Net Position (Deficit), End of Year | | | | | <u>\$ (72,602,546)</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

| | General | School Lunch | Special Aid | Miscellaneous Special Revenue | Debt Service | Capital | Total |
|--|----------------------|-------------------|-------------------|----------------------------------|---------------------|----------------------|----------------------|
| Assets | | | | | | | |
| Cash and Cash Equivalents | \$ 12,569,312 | \$ 157,648 | \$ 165,230 | \$ | \$ | \$ | \$ 12,892,190 |
| Restricted Cash and Cash Equivalents | 9,311,263 | | | 100,413 | 1,315,625 | 12,414,003 | 23,141,304 |
| Receivables | | | | | | | |
| Other Governments | 3,369,898 | 222,787 | 394,098 | | | | 3,986,783 |
| Due from Other Funds | 152,742 | | 5,648 | | 326 | 4,647,729 | 4,806,445 |
| Other Receivables | 68,555 | 67 | | | | | 68,622 |
| Inventory | | 43,673 | | | | | 43,673 |
| Total Assets | <u>\$ 25,471,770</u> | <u>\$ 424,175</u> | <u>\$ 564,976</u> | <u>\$ 100,413</u> | <u>\$ 1,315,951</u> | <u>\$ 17,061,732</u> | <u>\$ 44,939,017</u> |
| Liabilities | | | | | | | |
| Payables | | | | | | | |
| Accounts Payable | \$ 179,502 | \$ | \$ | \$ | \$ | \$ 19,000 | \$ 198,502 |
| Accrued Liabilities | 1,487,529 | 19,598 | 14,686 | | | | 1,521,813 |
| Due To | | | | | | | |
| Other Governments | | 519 | 21,890 | | | | 22,409 |
| Other Funds | 1,126,004 | 131,958 | 15,130 | | | 3,533,353 | 4,806,445 |
| Teachers' Retirement System | 2,365,755 | | | | | | 2,365,755 |
| Employees' Retirement System | 243,791 | | | | | | 243,791 |
| Bond Anticipation Note | | | | | | 22,460,067 | 22,460,067 |
| Compensated Absences | 353,808 | | | | | | 353,808 |
| Unearned Grant Revenue | | | 513,751 | | | | 513,751 |
| Total Liabilities | <u>5,756,389</u> | <u>152,075</u> | <u>565,457</u> | | | <u>26,012,420</u> | <u>32,486,341</u> |
| Deferred Inflow of Resources | | | | | | | |
| Unavailable General State Aid | <u>2,174,956</u> | | | | | | <u>2,174,956</u> |
| Fund Balance | | | | | | | |
| Nonspendable | | 43,673 | | | | | 43,673 |
| Restricted | 9,311,263 | | | 100,413 | 1,315,951 | | 10,727,627 |
| Assigned | 5,246,619 | 228,427 | | | | | 5,475,046 |
| Unassigned (Deficit) | <u>2,982,543</u> | | <u>(481)</u> | | | <u>(8,950,688)</u> | <u>(5,968,626)</u> |
| Total Fund Balance (Deficit) | <u>17,540,425</u> | <u>272,100</u> | <u>(481)</u> | <u>100,413</u> | <u>1,315,951</u> | <u>(8,950,688)</u> | <u>10,277,720</u> |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balance | <u>\$ 25,471,770</u> | <u>\$ 424,175</u> | <u>\$ 564,976</u> | <u>\$ 100,413</u> | <u>\$ 1,315,951</u> | <u>\$ 17,061,732</u> | <u>\$ 44,939,017</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

| | |
|----------------------------------|----------------------|
| Total Governmental Fund Balances | \$ <u>10,277,720</u> |
|----------------------------------|----------------------|

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

Revenues that do not provide current financial resources that are recognized in the Statement of Net Position but not the fund financial statements.

| | |
|-----------|------------------|
| State Aid | <u>2,174,956</u> |
|-----------|------------------|

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

| | |
|---------------------------------|---------------------|
| Original Cost of Capital Assets | 132,436,824 |
| Accumulated Depreciation | <u>(41,032,972)</u> |
| | <u>91,403,852</u> |

Proportionate share of the long-term liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.

| | |
|---|--------------------|
| Deferred Outflow - Pensions | 16,949,526 |
| Net Pension Liability - Proportionate Share | (3,855,842) |
| Deferred Inflow - Pensions | <u>(7,204,458)</u> |
| | <u>5,889,226</u> |

Long-term liabilities, including bonds payable and related deferred outflows and inflows, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

| | |
|---|----------------------|
| Bonds Payable | (32,820,000) |
| Accrued Interest on Long-term Debt | (55,035) |
| Unamortized Premium on Issuance of Advanced Refunding | (3,079,637) |
| Deferred Charge on Refunding | 219,620 |
| Deferred Outflow - OPEB | 24,223,195 |
| Deferred Inflow - OPEB | (16,290,057) |
| Other Post-Employment Liabilities | (154,111,457) |
| Compensated Absences Payable | <u>(434,929)</u> |
| | <u>(182,348,300)</u> |

| | |
|------------------------------|------------------------|
| Total Net Position (Deficit) | \$ <u>(72,602,546)</u> |
|------------------------------|------------------------|

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

| | General | School Lunch | Special Aid | Miscellaneous Special Revenue | Debt Service | Capital | Total |
|--|----------------------|-------------------|-----------------|----------------------------------|---------------------|-----------------------|----------------------|
| Revenues | | | | | | | |
| Real Property Taxes | \$ 28,043,182 | \$ | \$ | \$ | \$ | \$ | \$ 28,043,182 |
| Other Real Property Tax Items | 305,155 | | | | | | 305,155 |
| School Tax Relief Reimbursement | 4,633,408 | | | | | | 4,633,408 |
| Charges for Services | 88,167 | | | | | | 88,167 |
| Premium on Debt Issuance | | | | | 1,853,576 | | 1,853,576 |
| Use of Money and Property | 4,088 | | | | 467 | | 4,555 |
| Sale of Property and Compensation for Loss | 413,739 | | | | | | 413,739 |
| Miscellaneous | 1,729,408 | 1,815 | 18,392 | 8,053 | | | 1,757,668 |
| State Aid | 32,971,868 | | 192,896 | | | 921,538 | 34,086,302 |
| Federal Aid | 559,899 | 923,867 | 1,319,156 | | | | 2,802,922 |
| School Lunch Sales | | 36,677 | | | | | 36,677 |
| Total Revenues | 68,748,914 | 962,359 | 1,530,444 | 8,053 | 1,854,043 | 921,538 | 74,025,351 |
| Expenditures | | | | | | | |
| General Support | 6,475,374 | | | 12,248 | | 7,358,665 | 13,846,287 |
| Instruction | 36,543,977 | | 1,530,925 | | | | 38,074,902 |
| Pupil Transportation | 2,654,795 | | | | | 687,594 | 3,342,389 |
| Food Service Program | | 851,842 | | | | | 851,842 |
| Employee Benefits | 14,684,962 | 163,550 | | | | | 14,848,512 |
| Debt Service - Principal | 5,360,974 | | | | | | 5,360,974 |
| Debt Service - Interest | 1,249,269 | | | | | | 1,249,269 |
| Total Expenditures | 66,969,351 | 1,015,392 | 1,530,925 | 12,248 | | 8,046,259 | 77,574,175 |
| Excess (Deficit) Revenues Over Expenditures | 1,779,563 | (53,033) | (481) | (4,195) | 1,854,043 | (7,124,721) | (3,548,824) |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds of Advanced Refunding | | | | | 16,665,000 | | 16,665,000 |
| Payments of Advanced Refunding to Escrow | | | | | (18,019,063) | | (18,019,063) |
| BANs Redeemed from Appropriations | | | | | | 1,405,974 | 1,405,974 |
| Bond Refunding Cost | | | | | (253,911) | | (253,911) |
| Transfers from Other Funds | 67,199 | | | | 126,805 | 116,314 | 310,318 |
| Transfers to Other Funds | (116,314) | | | | | (194,004) | (310,318) |
| Total Other Financing Sources (Uses) | (49,115) | | | | (1,481,169) | 1,328,284 | (202,000) |
| Excess (Deficit) Revenues Over Expenditures and Other Financing Sources | 1,730,448 | (53,033) | (481) | (4,195) | 372,874 | (5,796,437) | (3,750,824) |
| Fund Balance (Deficit), Beginning of Year | 15,809,977 | 325,133 | | | 943,077 | (3,154,251) | 13,923,936 |
| Cumulative Effect of Change in Accounting Principle | | | | 104,608 | | | 104,608 |
| Fund Balance (Deficit), Beginning of Year (Restated) | 15,809,977 | 325,133 | | 104,608 | 943,077 | (3,154,251) | 14,028,544 |
| Fund Balance (Deficit), End of Year | \$ 17,540,425 | \$ 272,100 | \$ (481) | \$ 100,413 | \$ 1,315,951 | \$ (8,950,688) | \$ 10,277,720 |

The Accompanying Notes are an Integral Part of These Financial Statements.

**WHITESBORO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

| | | |
|--|----|-------------|
| Net Changes in Fund Balance - Total Governmental Funds | \$ | (3,750,824) |
|--|----|-------------|

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the period.

| | | |
|----------------------|------------------|-----------|
| Depreciation Expense | (2,318,427) | |
| Capital Outlays | <u>7,921,530</u> | 5,603,103 |

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Changes in long-term debt are as follows:

| | | |
|-----------------------------------|------------------|-----------|
| Proceeds from Issued Serial Bonds | (253,910) | |
| Repayment of Bond Principal | <u>3,955,000</u> | 3,701,090 |

Revenues recognized in the statement of activities that provided current financial resources were not reported as revenues in the governmental funds in the prior year.

| | | |
|--------------------|---------------|--------|
| Deferred State Aid | <u>64,291</u> | 64,291 |
|--------------------|---------------|--------|

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

| | | |
|--|--------------------|--------------------|
| Change In Accrued Interest on Debt | (2,697) | |
| Amortization of Deferred Premium | 341,282 | |
| Amortization of Deferred Charges on Refunded Debt | (29,444) | |
| Change in Proportionate Share of Net Pension Expense | (2,503,922) | |
| Change In Compensated Absences | (198,028) | |
| Change In Other Post Employment Benefits | <u>(3,440,877)</u> | <u>(5,833,686)</u> |

| | | |
|--|----|------------------|
| Change in Net Position Governmental Activities | \$ | <u>(216,026)</u> |
|--|----|------------------|

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

| | |
|--|-------------------|
| | Custodial Fund |
| Assets | |
| Cash and Cash Equivalents - Restricted | <u>\$ 112,172</u> |
| Net Position | |
| Restricted for Extraclassroom Activities | <u>\$ 112,172</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2021

| | Custodial Fund |
|---|--------------------------|
| Additions | |
| Dunham Library Tax Income | \$ 1,178,268 |
| Dunham Library Payroll Reimbursements | 607,816 |
| Extraclassroom Income | 84,002 |
| | <u>1,870,086</u> |
| Deductions | |
| Dunham Library Tax Expense | 1,178,268 |
| Dunham Library Payroll Expense | 607,816 |
| Extraclassroom Expense | 98,433 |
| Total Deductions | <u>1,884,517</u> |
| Change in Net Position | <u>(14,431)</u> |
| Net Position, Beginning of Year | 0 |
| Cumulative Effect of Change in Accounting Principle | <u>126,603</u> |
| Net Position, Beginning of Year (Restated) | <u>126,603</u> |
| Net Position, End of Year | <u><u>\$ 112,172</u></u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitesboro Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education. 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 School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal members.

The reporting entity of the School District is based upon criteria set forth by GASB. 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 accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 description of certain entities included in the School District's reporting entity.

(a) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a Fiduciary Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's business office.

Joint Venture

The School District is a component district in Oneida-Herkimer-Madison Board of Cooperative Education Services (BOCES). A 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 district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Basis of Presentation

(a) District-Wide Statements

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School 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 requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(b) Fund Financial Statements

The fund statements provide information about the School 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 funds of the School District are displayed as major funds. The School District reports the following governmental funds:

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the School District's scholarship funds. The School District has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated.

Capital Project Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Funds

Fiduciary funds are used to account for and report fiduciary activities. Fiduciary activities are those in which the School 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 School District, and are not available to be used. There is one class of fiduciary funds:

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the School District as agent for various student groups or Extraclassroom activity funds. In addition, the fund is used to account for real property taxes collected and paid to Dunham Library.

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 School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State aid, 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 state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days 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, other postemployment benefits, 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.

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, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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.

Estimates

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

Cash and Cash Equivalents

The School 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 date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (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.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by Oneida County. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

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.

Interfund Transactions

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School 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 expenditure and revenues to provide financing or other services.

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 11 to the financial statements.

Inventories

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of \$5,000 (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Interest incurred on obligations is not capitalized. Depreciation methods and estimated useful lives of capital assets reported in the District-wide statements are as follows:

| | <u>Lives</u> | <u>Depreciation Method</u> |
|----------------------------|--------------|--------------------------------|
| Buildings and Improvements | 20-30 Years | Straight Line |
| Furniture and Equipment | 4-20 Years | Straight Line |
| Vehicles | 10 Years | Straight Line |

Vested Employee Benefits – Compensated Absences

The School 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.

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

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

The accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Retirement Plans and Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are 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 postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 9).

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 BAN's issued for capital purposes to be converted to long-term financing within five years after the original issue date.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first 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 proportionate share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Position and represents the effect of differences between changes in assumptions during the year and contributions subsequent to the measurement date. These amounts are deferred and will be recognized in OPEB expense over the next several years. The third item is 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.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first 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 or asset and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years. The third arises only under a modified accrual basis of accounting for State Aid revenue that is unavailable.

Unearned Revenues

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Restricted Resources

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

Equity Classifications

(a) District-wide Financial Statements

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

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

Restricted Net Position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of inventories in the School Lunch Fund.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

- ***Reserve for Workers' Compensation***

Reserve for Workers' Compensation (GML §6-j) must be used to pay for compensation benefits and other expenses authorized by article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

- ***Reserve for Unemployment Insurance***

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

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

- ***Retirement Contribution Reserve Fund***

According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. 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. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

- ***Reserve for Insurance***

Reserve for Insurance (GML §6-n) must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

- ***Reserve for Employee Benefit Accrued Liability***

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due 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. The reserve is accounted for in the General Fund.

- ***Reserve for Property Loss***

Reserve for Property Loss [Education Law §1709(8)(c)] is used to pay for property loss incurred. Separate funds for property loss claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. This reserve is accounted for in the General Fund.

- ***Reserve for Tax Certiorari***

This reserve is used to account for funds set aside to refund taxes of the current year in tax certiorari proceedings. Voter approval is not required to establish the fund or expend from the reserve. Amounts in this reserve not necessary to refund taxes must be returned to the unreserved fund balance of the General Fund by the first day of the fourth fiscal year following the year for which the reserve was created.

- ***Capital Reserve***

The Capital Reserve Fund is 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 reserve is accounted for in the General Fund.

- In May 2017, the Board and voters established a capital reserve fund to reserve up to \$5 million plus interest and investment earnings for the purpose of capital improvements. The reserve was established with a probable term of ten years. More specifically, the fund will further enable the district to maintain and/or upgrade its facilities and infrastructure to provide and modernize its teaching and learning environments, supplementing the scope of other capital improvement projects. The fund may also be used to offset the local share of future capital project work. This proposition only establishes the capital reserve fund and does not obligate the district to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

- ***Reserve for Repairs***

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

- ***Miscellaneous Special Revenue Fund***

This fund is used to account for various endowment and scholarship awards.

- ***Debt Service***

This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2021.
- ***Assigned*** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than capital fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Reserve for Extraclassroom Activities

This reserve is used to account for various student groups or extraclassroom activities. This reserve is accounted for in the custodial fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

New Accounting Standard

GASB Statement No. 84 – *Fiduciary* Activities was implemented effective July 1, 2020. The School District previously accounted for payroll withholdings and related items, and other items in a Trust and Agency Fund. These items are now required to be reported in the governmental funds. In addition, certain scholarships were accounted for in an Expendable Trust Fund and, are now reported in the Miscellaneous Special Revenue Fund. Due to the School District’s administrative involvement over these funds, the new standard requires these funds to also be accounted for in the governmental funds. The School District also uses the Custodial Fund to account for Extraclassroom activities.

**WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

Future Change in Accounting Standards

- GASB Statement No. 87 – Leases Effective for the year ended June 30, 2022

The school district will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared to Net Position of Governmental Activities

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

Statement of Revenues, Expenditures, and Changes in Fund Balance Compared to Statement of Activities

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

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function.

(e) Pension Differences

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

(f) OPEB Differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

3. STEWARDSHIP AND COMPLIANCE

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

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

Change from Adopted Budget to Revised Budget

| | |
|--------------------------------|----------------------|
| Adopted Budget | \$ 71,801,276 |
| Add: Prior Year's Encumbrances | <u>422,411</u> |
| Original and Final Budget | <u>\$ 72,223,687</u> |

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. The Special Aid and School Lunch Funds do not have legally authorized budgets.

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.

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2020-2021 school year was in compliance with the NYS Tax Cap Limit.

Fund Balance Limitations

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

At June 30, 2021, the School District had an unassigned fund balance of \$2,982,543, which is approximately 3.99% of the 2021-2022 budget.

4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

The District's had aggregate bank balances of \$38,916,729 all of which were fully covered by depository insurance or collateralized by securities held by the pledging financial institution.

Restricted Cash and Cash Equivalents

1. Restricted cash in the General Fund of \$10,311,263, consists of the following:

| Description | Amount |
|------------------------------------|---------------------|
| Reserve for Tax Certiorari | \$ 1,029,430 |
| Employee Benefit Accrued Liability | 387,645 |
| Employee Retirement Contribution | 1,411,519 |
| Teachers Retirement Contribution | 1,240,886 |
| Capital Reserve | 2,496,388 |
| Insurance Reserve | 511,171 |
| Repair Reserve | 304,997 |
| Worker's Compensation | 235,549 |
| Unemployment Insurance | 211,551 |
| Property Loss | 1,482,127 |
| Total | <u>\$ 9,311,263</u> |

2. Restricted cash of \$1,315,625 in the Debt Service fund represents funds restricted for debt service of the outstanding bonds.
3. Restricted cash of \$12,414,003 in the Capital Fund represents funds restricted for approved capital projects.
4. Restricted cash of \$100,413 in the Miscellaneous Special Revenue Fund represents various expendable trust funds held by the School District for scholarships and awards.
5. Restricted cash of \$112,172 in the Fiduciary Custodial Funds represents funds restricted for extraclassroom activities.

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$10,687,287 for BOCES' administrative and program costs. Financial statements for the BOCES are available from the BOCES' administrative office at Middle Settlement Road, New Hartford, New York 13413.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|---------------------|---------------|----------------------|
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 1,387,168 | \$ | \$ | \$ 1,387,168 |
| Construction in Progress | 23,540,307 | 7,358,662 | | 30,898,969 |
| Total | <u>24,927,475</u> | <u>7,358,662</u> | | <u>32,286,137</u> |
| Capital Assets Being Depreciated | | | | |
| Buildings and Improvements | 88,607,771 | | | 88,607,771 |
| Furniture, Equipment and Vehicles | 11,071,798 | 562,868 | 91,748 | 11,542,918 |
| Total | <u>99,679,569</u> | <u>562,868</u> | <u>91,748</u> | <u>100,150,689</u> |
| Accumulated Depreciation | | | | |
| Buildings and Improvements | 30,332,662 | 1,694,392 | | 32,027,054 |
| Furniture, Equipment and Vehicles | 8,473,632 | 624,035 | 91,748 | 9,005,919 |
| Total | <u>38,806,294</u> | <u>2,318,427</u> | <u>91,748</u> | <u>41,032,973</u> |
| Net Capital Assets Being Depreciated | <u>60,873,275</u> | <u>(1,755,559)</u> | | <u>59,117,716</u> |
| Net Capital Assets | <u>\$ 85,800,750</u> | <u>\$ 5,603,103</u> | <u>\$</u> | <u>\$ 91,403,853</u> |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Depreciation expense was allocated to governmental functions as follows:

| <u>Function/Program</u> | |
|-------------------------|---------------------|
| General Support | \$ 571,683 |
| Instruction | 1,573,420 |
| Pupil Transportation | 138,122 |
| School Lunch | <u>35,202</u> |
| Total Depreciation | <u>\$ 2,318,427</u> |

7. SHORT-TERM DEBT

The School District may issue Bond Anticipation Notes (BANs) 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 BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The following is a summary of the BANs outstanding at June 30, 2021:

| <u>Payable From/Description</u> | <u>Date of Original Issue</u> | <u>Original Amount</u> | <u>Date of Final Maturity</u> | <u>Interest Rate (%)</u> | <u>Outstanding Amount</u> |
|---------------------------------|---------------------------------------|----------------------------|---------------------------------------|------------------------------|-------------------------------|
| General Fund | | | | | |
| Buses | 09/20 | \$ 1,742,590 | 09/20 | 1.00 | \$ 1,742,590 |
| BAN Capital Projects | 06/21 | \$ 20,717,477 | 06/21 | 1.25 | <u>20,717,477</u> |
| | | | | | <u>\$ 22,460,067</u> |

Changes in the School District's short-term outstanding debt for the year ended June 30, 2021, are as follows:

| <u>Description</u> | <u>Outstanding Beginning Balance</u> | <u>Refinanced</u> | <u>Issued</u> | <u>Paid</u> | <u>Outstanding Ending Balance</u> |
|-------------------------------|--|-------------------|----------------------|-----------------------|---|
| Governmental Activities | | | | | |
| Buses | \$ 1,570,974 | \$ | \$ 682,590 | \$ (510,974) | \$ 1,742,590 |
| BAN Capital Project | | (5,500,000) | 5,500,000 | | |
| BAN Capital Project | <u>3,808,027</u> | <u>5,500,000</u> | <u>12,304,450</u> | <u>(895,000)</u> | <u>20,717,477</u> |
| Total Governmental Activities | <u>\$ 5,379,001</u> | <u>\$</u> | <u>\$ 18,487,040</u> | <u>\$ (1,405,974)</u> | <u>\$ 22,460,067</u> |

Interest costs for short-term debt for the year ended June 30, 2021, was as follows:

Total interest for the year was as follows:

| | |
|--|-------------------|
| Interest Paid | \$ 143,358 |
| Less: Interest Accrued in the Prior Year | (20,035) |
| Plus: Interest Accrued in the Current Year | <u>18,838</u> |
| Total Interest Expense on Short-Term Debt | <u>\$ 142,161</u> |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

8. NONCURRENT LIABILITIES

Noncurrent liability balances and activity for the year ended June 30, 2021, are as follows:

| <u>Description</u> | <u>Outstanding Beginning Balance</u> | <u>Refinanced</u> | <u>Issued</u> | <u>Paid</u> | <u>Outstanding Ending Balance</u> | <u>Due Within One Year</u> |
|-------------------------------|--|---------------------|----------------------|---------------------|---|--------------------------------|
| Governmental Activities | | | | | | |
| Bonds Payable | \$ 37,880,000 | \$ 1,105,000 | | \$ 3,955,000 | \$ 32,820,000 | \$ 6,190,000 |
| Unamortized Premium | 1,812,945 | | 1,607,974 | 341,282 | 3,079,637 | 404,748 |
| OPEB Liability | 127,699,952 | | 29,720,163 | 3,308,658 | 154,111,457 | |
| Compensated Absences | 590,709 | | 198,028 | | 788,737 | 353,808 |
| Total Governmental Activities | <u>\$ 167,983,606</u> | <u>\$ 1,105,000</u> | <u>\$ 31,526,165</u> | <u>\$ 7,604,940</u> | <u>\$ 190,799,831</u> | <u>\$ 6,948,556</u> |

Serial Bonds

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvement. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between this fund and District-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

Details relating to general obligation serial bonds of the School District outstanding at June 30, 2021 are summarized as follows:

| <u>Payable From/Description</u> | <u>Date of Original Issue</u> | <u>Original Amount</u> | <u>Date of Final Maturity</u> | <u>Interest Rate (%)</u> | <u>Outstanding Amount</u> |
|---------------------------------|---------------------------------------|----------------------------|---------------------------------------|------------------------------|-------------------------------|
| General Fund | | | | | |
| 2009 Building Renovations | 06/15 | 2,760,000 | 06/30 | 2.00-3.00 | 1,720,000 |
| 2014 Building Renovations | 06/16 | 8,000,000 | 06/32 | 1.98 | 5,540,000 |
| 2017 DASNY Bond | 06/17 | 14,005,000 | 06/33 | 3.75-5.00 | 11,145,000 |
| 2012 Refunding | 06/21 | 14,145,000 | 06/27 | 2.5-3.0 | 11,905,000 |
| 2013 Refunding | 04/21 | 2,520,000 | 06/28 | 1.00-4.00 | 2,510,000 |
| | | | | | <u>\$ 32,820,000</u> |

Principal and interest payments due on general obligation debt are as follows:

| <u>For the Year Ending June 30,</u> | <u>Serial Bonds</u> | | |
|---|----------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2022 | \$ 3,875,000 | \$ 1,191,387 | \$ 5,066,387 |
| 2023 | 3,980,000 | 1,094,488 | 5,074,488 |
| 2024 | 4,125,000 | 959,337 | 5,084,337 |
| 2025 | 4,275,000 | 810,338 | 5,085,338 |
| 2026 | 4,430,000 | 889,937 | 5,319,937 |
| 2027-2032 | 10,370,000 | 1,533,188 | 11,903,188 |
| 2032-2033 | 1,765,000 | 94,425 | 1,859,425 |
| Total | <u>\$ 32,820,000</u> | <u>\$ 6,573,100</u> | <u>\$ 39,393,100</u> |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Interest costs for long term debt for the year ended June 30, 2021, was as follows:

| | |
|---|-------------------|
| Interest Paid | \$ 1,107,108 |
| Amorization of Deferred Charge on Advance Refunding | 29,444 |
| Amortization of Deferred Premium | (341,282) |
| Less: Interest Accrued in the Prior Year | (52,338) |
| Plus: Interest Accrued in the Current Year | 55,035 |
| Total Interest Expense on Long-Term Debt | <u>\$ 797,967</u> |

Current-Year Defeasance of Debt

In October 2020, the District issued \$14,145,000 in general obligation serial bonds with an average coupon interest rate of 4.00% to refund \$15,190,000 of outstanding 2012 serial bonds with an average coupon interest rate of 3.00%. The net proceeds of \$15,396,106 (after payment of \$217,768 in underwriting fees, insurance and other issuance costs and offset with a premium of \$2,137,259) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the District's financial statements. The economic gain (loss) on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$842,018. The aggregate budgetary savings will be \$863,208.

In April 2021, the District issued \$2,520,000 in general obligation serial bonds with an average coupon interest rate of 4.00% to refund \$2,580,000 of outstanding 2013 serial bonds with an average coupon interest rate of 3.00%. The net proceeds of \$2,622,958 (after payment of \$89,840 in underwriting fees, insurance and other issuance costs and offset with a premium of \$195,196) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the District's financial statements. The economic gain (loss) on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$174,016. The aggregate budgetary savings will be \$176,669.

Bond Premiums

The School District issued serial bonds on June 8, 2017 through the Dormitory Authority of New York State for \$14,005,000. The serial bonds were issued at a premium of \$2,231,316. While this amount was recognized as revenue in the Capital Fund, it is a liability on the District-wide financial statements. The premiums are being amortized as a component of interest expense over the life of the corresponding bond using the straight-line method. The current year amortization is \$139,457 and it is included as a reduction to interest expense on the Statement of Activities.

In 2021 the District issued two DASNY Refunding bonds for total of \$16,665,000. The serial bonds were issued at a premium of \$1,607,974. While this amount was recognized as revenue in the Capital Fund, it is a liability on the District-wide financial statements. The premiums are being amortized as a component of interest expense over the life of the corresponding bond using the straight-line method. The current year amortization is \$201,835 and it is included as a reduction to interest expense on the Statement of Activities.

| | |
|--------------------------------|---------------------|
| Premium from Refunding of Debt | \$ 3,839,290 |
| Less: Accumulated Amortization | <u>(759,653)</u> |
| Net Unamortized Bond Premiums | <u>\$ 3,079,637</u> |

Deferred Outflows of Resources – Deferred Charges from Refunding of Debt

The cost of refunding serial bonds has been deferred and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using the straight-line method over 7 years, the remaining time to maturity of the bonds. The current year amortization is \$29,444 and is included as an addition to interest expense on the statement of activities.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

| | |
|---|-------------------|
| Deferred Charge from Refunding of Debt | \$ 249,064 |
| Less: Accumulated Amortization | <u>(29,444)</u> |
| Net Capitalized Refunding of Debt Costs | <u>\$ 219,620</u> |

9. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 but before April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2021, were paid.

The required contributions for the current year and two preceding years were:

| | <u>Amount</u> |
|------|---------------|
| 2019 | \$ 826,899 |
| 2020 | \$ 839,936 |
| 2021 | \$ 875,658 |

**WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of \$17,202 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was .0172758% which is a decrease of .0010104% from the prior year's proportionate share of .0182862%.

For the year ended June 30, 2021, the School District recognized pension expense of \$485,921. At June 30, 2021, the School District reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 210,085 | \$ |
| Change of Assumptions | 3,162,930 | 59,654 |
| Net Difference Between Projected and Actual Earnings on Pensions Plan Investments | | 4,941,485 |
| Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions | 271,039 | 100,107 |
| Contributions Subsequent to the Measurement Date | <u>243,791</u> | |
| Total | <u>\$ 3,887,845</u> | <u>\$ 5,101,246</u> |

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

| Year Ended June 30, | |
|---------------------|--------------|
| 2022 | \$ (225,424) |
| 2023 | \$ (52,099) |
| 2024 | \$ (237,989) |
| 2025 | \$ (941,680) |

(d) Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

Significant actuarial assumptions used in the April 1, 2020 valuation were as follows:

| | |
|--|---|
| Investment Rate of Return (Net of Investment Expense, including Inflation) | 5.90% |
| Salary Scale | 4.40% |
| Decrement Tables | April 1, 2015 - March 31, 2020 System's Experience |
| Inflation Rate | 2.70% |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected 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 arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--|------------------------------|---|
| Domestic Equity | 32% | 4.05% |
| International Equity | 15% | 6.30% |
| Private Equity | 10% | 6.75% |
| Real Estate | 9% | 4.95% |
| Opportunistic/Absolute Return Strategy | 3% | 4.50% |
| Credit | 4% | 3.63% |
| Real Assets | 3% | 5.95% |
| Fixed Income | 23% | 0.00% |
| Cash | 1% | 0.50% |
| | <u>100%</u> | |

The real rate of return is net of the long-term inflation assumption of 2.50%

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. 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 System's 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 asset/liability.

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

| | <u>1% Decrease (4.9%)</u> | <u>Current Assumption (5.9%)</u> | <u>1% Increase (6.9%)</u> |
|---|-----------------------------------|--|-----------------------------------|
| Proportionate Share of the Net Pension Liability (Asset) | \$ 4,774,666 | \$ 17,202 | \$ (4,370,293) |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of \$243,791 at June 30, 2021. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2021-2022 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

| | Amount |
|------|--------------|
| 2019 | \$ 2,421,596 |
| 2020 | \$ 2,089,059 |
| 2021 | \$ 2,246,472 |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of \$3,838,640 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was .138917 percent, which was an increase of .002176 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of \$5,170,787. At June 30, 2021, the School District reported deferred inflows and outflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 3,363,417 | \$ 196,723 |
| Changes of Assumptions | 4,854,987 | 1,730,549 |
| Net Difference Between Projected and Actual Earnings on Pensions Plan Investments | 2,506,969 | |
| Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions | 89,836 | 175,940 |
| Contributions Subsequent to the Measurement Date | 2,246,472 | |
| Total | <u>\$ 13,061,681</u> | <u>\$ 2,103,212</u> |

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

| <u>Year Ended June 30:</u> | |
|----------------------------|--------------|
| 2021 | \$ 1,497,988 |
| 2022 | \$ 3,021,255 |
| 2023 | \$ 2,472,149 |
| 2024 | \$ 1,521,310 |
| 2025 | \$ 41,861 |
| Thereafter | \$ 157,434 |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

(d) Actuarial Assumptions

The total pension liability at June 30, 2020 measurement date was determined by using an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020.

Significant actuarial assumptions used in the June 30, 2019 valuation were as follows:

| | |
|-----------------|--|
| Investment Rate | |
| of Return | 7.10 % Compounded Annually, Net of Pension Plan Investment Expense, Including Inflation. |
| Salary Scale | Rates of Increase Differ Based on Service. |
| | They Have Been Calculated Based Upon Recent NYSTRS Member Experience. |

| Service | Rate |
|---------|-------|
| 5 | 4.72% |
| 15 | 3.46% |
| 25 | 2.37% |
| 35 | 1.90% |

| | |
|-----------------|---------------------------|
| Projected COLAs | 1.3% Compounded Annually. |
| Inflation Rate | 2.20% |

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2009 to June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2020 is summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|----------------------------------|-------------------|---|
| Domestic Equity | 33.0% | 7.1% |
| International Equity | 16.0% | 7.7% |
| Global Equities | 4.0% | 7.4% |
| Real Estate Equities | 11.0% | 6.8% |
| Private Equities | 8.0% | 10.4% |
| Domestic Fixed Income Securities | 16.0% | 1.8% |
| Global Fixed Income Securities | 2.0% | 1.0% |
| High-yield Bonds | 1.0% | 5.2% |
| Private Debt | 1.0% | 3.6% |
| Real Estate Debt | 7.0% | 3.9% |
| Cash Equivalents | 1.0% | 0.7% |
| | 100.0% | |

* Real rates of return are net of the long-term inflation assumption of 2.2% for 2020.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

(e) Discount Rate

The discount rate used to measure the pension liability (asset) was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's 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.

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents School District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

| | 1% Decrease (6.10%) | Current Assumption (7.10%) | 1% Increase (8.10%) |
|---|---------------------------|----------------------------------|---------------------------|
| Proportionate Share of the Net Pension Liability (Asset) | \$ 24,247,369 | \$ 3,838,640 | \$ (13,289,455) |

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of \$2,246,472 (excluding employee's share) in the General Fund at June 30, 2021. This amount represents the District's and employees' contribution for the 2020-2021 fiscal year that will be made in 2021-2022 and has been accrued as a liability in the current year.

10. POSTRETIREMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District administers the Retiree Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The plans are single-employer defined benefit OPEB plans 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.

The Plan does not issue a standalone publicly available financial report since no assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements. Employees are eligible for retirement when they reach the age of 55 years and have 10 years of service with the District.

- WTA-Teachers - All Retirees who retired prior to 5/1/1999 contribute 50% of the individual premium, whereas all Retirees who retired after 5/1/1999 contribute 35% of the individual premium. Spouses of Retirees who retired prior to 5/1/1999 contribute 65% of the premium amount, whereas Spouses of Retirees who retired after 5/1/1999 contribute 55% of the premium amount. This group also receives full reimbursement for premiums paid for Medicare Part B.
- Other Unions - The School contributes between 35% and 100% of the insurance premium for the retiree and spouse.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

(c) Employees Covered by Benefit Terms

| | Total |
|---|-------|
| Inactive employees currently receiving benefit payments | 353 |
| Active employees | 396 |
| Total | 749 |

(d) Total OPEB Liability

The District's total OPEB liability of \$154,111,457 was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

(e) Changes in the Net OPEB Liability

Changes in the District's total OPEB liability were as follows:

| | Total OPEB Liability |
|---|-------------------------|
| Balances, June 30, 2020 | \$ 127,699,952 |
| Changes recongnized for the year: | |
| Service cost | 3,330,589 |
| Interest on Total OPEB Liability | 4,528,167 |
| Differences between Expected and Actual Experience | (3,559,649) |
| Changes of Assumptions or Other Inputs | 25,421,056 |
| Benefit payments | (3,308,658) |
| Net changes | 26,411,505 |
| Balances, June 30, 2021 | \$ 154,111,457 |

(f) 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:

| | 1% Decrease (1.21%) | Current Assumption (2.21%) | 1% Increase (3.21%) |
|----------------------|---------------------------|----------------------------------|---------------------------|
| Total OPEB liability | \$ 184,527,504 | \$ 154,111,457 | \$ 130,093,397 |

(g) 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 (6.5 declining to 2.84 percent) or 1 percentage point higher (8.5 declining to 4.84 percent) than the current healthcare cost trend rate:

| | 1% Decrease (6.5%) | Current Assumption (7.5%) | 1% Increase (8.5%) |
|----------------------|--------------------------|---------------------------------|--------------------------|
| Total OPEB liability | \$ 127,332,795 | \$ 154,111,457 | \$ 189,459,618 |

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized a change in OPEB expense of \$3,440,877. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ | \$ 9,830,248 |
| Changes of assumptions or other inputs | 20,897,439 | 6,459,809 |
| Contributions subsequent to the measurement date | <u>3,325,756</u> | |
| Total | <u>\$ 24,223,195</u> | <u>\$ 16,290,057</u> |

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | <u>Amount</u> |
|---------------------|---------------|
| 2022 | (1,092,123) |
| 2023 | (480,293) |
| 2024 | 2,128,050 |
| 2025 | 2,697,911 |
| 2026 | 1,353,837 |

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

| | |
|-----------------------------|---|
| Valuation Date | July 1, 2020 |
| Measurement Date | July 1, 2020 |
| Reporting Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Normal - Level Percent of Pay |
| Plan Type | Single Employer Defined Benefit Plan |
| Discount Rate | 2.21% |
| Salary Scale | 3.00% |
| Inflation rate | 2.40% |
| Healthcare Cost Trend Rates | 7.50 to 3.84% |

The following changes in actuarial assumptions have been made since the prior measurement date:

- Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% on July 1, 2019 to 2.21% percent on July 1, 2020.

Discount Rate – The selected discount rate of 2.21% is based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices (Bond Buyer-20 Bond GO Index) as of July 1, 2020.

Cash Flows – The cash flows into and out of the Plan are expected to be consistent with the above assumptions and Plan descriptions of participant contributions.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

11. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

| Fund Type | Interfund | | Interfund | |
|--------------|---------------------|---------------------|-------------------|-------------------|
| | Receivables | Payables | Revenues | Expenditures |
| General | \$ 152,742 | \$ 1,126,004 | \$ 67,199 | \$ 116,314 |
| School Lunch | | 131,958 | | |
| Special Aid | 5,648 | 15,130 | | |
| Debt Service | 326 | | 126,805 | |
| Capital Fund | 4,647,729 | 3,533,353 | 116,314 | 194,004 |
| Total | <u>\$ 4,806,445</u> | <u>\$ 4,806,445</u> | <u>\$ 310,318</u> | <u>\$ 310,318</u> |

The School District transferred \$116,314 from the General Fund to the Capital Fund for the local share of a small capital project.

The School District transferred \$126,805 from the Capital Fund to the Debt Service Fund for repayment on issued debt.

The School District transferred \$67,199 from the Capital Fund to the General Fund for projects that were overfunded.

The interfund receivables and payables are all considered current and are scheduled to be repaid in the current year. The purpose of this activity is for cash flow.

12. CONTINGENCIES AND COMMITMENTS

The School 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 audits, the School District's administration believes disallowances, if any, will be immaterial.

Construction Commitments

The School District had various open capital projects during the year ended June 30, 2021, with a total authorization of \$100,322,836.

Risk Management

The School District is exposed to various risks of loss related to tax certiorari, torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. Except for tax certiorari, these risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The School District had various tax certiorari cases outstanding at June 30, 2021. The aggregate possible liability for the tax certioraris ranges from \$0 to \$3,274,603.

**WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

Workers' Compensation Pool

Whitesboro Central School District participates with 11 other school districts and BOCES in the Central New York Workers' Compensation Consortium administered by the Oneida-Herkimer-Madison BOCES for its workers' compensation insurance coverage. Voluntary withdrawal from the Plan is effective only once annually on the last day of the Plan year. Notice of intent to withdraw must be submitted in writing no later than March 30 of the plan year. Additional members may be admitted by a majority vote of the Plan's Board of Directors. Membership is effective on the first day of the month following the Board's resolution to accept a new participant. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The Plan insures against catastrophic losses for amounts over \$600,000 up to \$1,000,000 for claims during the lifetime of an eligible member. The Plan does not insure amounts in excess of \$1,000,000 per lifetime. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Whitesboro Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the current year, the School District paid \$233,115 in net fees.

Bargaining Unit Agreements

The School District has the following bargaining unit agreements in place with the related expiration dates:

| <u>Employees</u> | <u>Bargaining Unit</u> | <u>Contract Expiration Date</u> |
|------------------|---|-------------------------------------|
| 314 | Whitesboro Teachers' Association | June 30, 2022 |
| 197 | Whitesboro Employees' Union | June 30, 2023 |
| 11 | Whitesboro Administrators' Organization | June 30, 2022 |

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the general fund and special revenue fund. At June 30, 2021, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The general fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance.

Significant encumbrances included in governmental fund balances are as follows:

| | <u>General Fund</u> |
|----------------------|---------------------|
| Encumbrances | |
| General Support | \$ 178,863 |
| Instruction | 254,065 |
| Pupil Transportation | 13,691 |
| Total Encumbrances | <u>\$ 446,619</u> |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

13. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2021:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|--------------|-----------|-------------------|
| Restricted | | | | |
| General Fund | | | | |
| Workers' Compensation | \$ 210,528 | \$ 25,021 | \$ | \$ 235,549 |
| Unemployment Insurance | 186,537 | 25,014 | | 211,551 |
| Employees' Retirement Contribution Reserve | 1,261,393 | 150,126 | | 1,411,519 |
| Teachers' Retirement Contribution Reserve | 705,828 | 535,058 | | 1,240,886 |
| Employee Benefit Accrued Liability | 387,606 | 39 | | 387,645 |
| Property Loss | 1,481,996 | 131 | | 1,482,127 |
| Insurance | 511,137 | 34 | | 511,171 |
| Tax Certiorari | 621,368 | 408,062 | | 1,029,430 |
| Capital Reserve | 1,871,218 | 625,170 | | 2,496,388 |
| Repair Reserve | 304,967 | 30 | | 304,997 |
| Total General Fund Restricted | \$ 7,542,578 | \$ 1,768,685 | \$ | \$ 9,311,263 |

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2021:

| | General | School Lunch | Special Aid | Special Revenue | Debt Service | Capital | Total |
|--|----------------------|-------------------|-----------------|--------------------|---------------------|-----------------------|----------------------|
| Nonspendable | \$ | \$ 43,673 | \$ | \$ | \$ | \$ | \$ 43,673 |
| Restricted | | | | | | | |
| Workers' Compensation Reserve | 235,549 | | | | | | 235,549 |
| Unemployment Insurance Reserve | 211,551 | | | | | | 211,551 |
| Employees' Retirement Contribution Reserve | 1,411,519 | | | | | | 1,411,519 |
| Teachers' Retirement Contribution Reserve | 1,240,886 | | | | | | 1,240,886 |
| Employee Benefit Accrued Liability Reserve | 387,645 | | | | | | 387,645 |
| Property Loss Reserve | 1,482,127 | | | | | | 1,482,127 |
| Insurance Reserve | 511,171 | | | | | | 511,171 |
| Tax Certiorari Reserve | 1,029,430 | | | | | | 1,029,430 |
| Capital Reserve | 2,496,388 | | | | | | 2,496,388 |
| Repair Reserve | 304,997 | | | | | | 304,997 |
| Scholarships and Donations | | | | 100,413 | | | 100,413 |
| Debt Service | | | | | 1,315,951 | | 1,315,951 |
| Total Restricted | 9,311,263 | | | 100,413 | 1,315,951 | | 10,727,627 |
| Assigned | | | | | | | |
| General Support | 178,863 | | | | | | 178,863 |
| Instruction | 254,065 | | | | | | 254,065 |
| Pupil Transportation | 13,691 | | | | | | 13,691 |
| School Lunch | | 228,427 | | | | | 228,427 |
| Appropriated for Subsequent Year's Budget | 4,800,000 | | | | | | 4,800,000 |
| Total Assigned | 5,246,619 | 228,427 | | | | | 5,475,046 |
| Unassigned (Deficit) | 2,982,543 | | (481) | | | (8,950,688) | (5,968,626) |
| Total Fund Balances (Deficit) | \$ 17,540,425 | \$ 272,100 | \$ (481) | \$ 100,413 | \$ 1,315,951 | \$ (8,950,688) | \$ 10,277,720 |

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

15. TAX ABATEMENTS

The District is subject to tax abatements that are granted by the Oneida County Industrial Development Agency (OCIDA). Article 18-A of the New York State Municipal Law, "New York Industrial Development Agency Act" was enacted to provide for the creation of Industrial Development Agencies (IDA's) to facilitate economic development in specific localities, and delineate their powers and status as public benefit corporation. The legislation established the power of New York IDA's, including the authority to grant tax abatements and enter into agreements to require payment in lieu of taxes. Each IDA must adopt and follow a tax exemption policy with input from the effected taxing jurisdictions, however once created the IDA can independently grant abatements in conformity with their policy. The OCIDA enters into agreements to abate property tax for the purpose of increasing or retaining employment in the County.

Property abatements may be partially offset by an agreement that requires payments in lieu of taxes. These agreements specify the annual amount to be remitted by the property owner and are allocated to the effected jurisdiction based on the proportion of taxes abated. The District has chosen to disclose information about its tax abatement by purpose. At June 30, 2021, there are no amounts receivable from OCIDA.

Abatement agreements of OCIDA resulted in a revenue impact to the District for the year ended June 30, 2021 as follows:

| <u>Purpose</u> | <u>Gross Tax Amounts</u> | <u>Payments in Lieu of Taxes</u> | <u>Net Revenue Reduction</u> |
|---------------------------------------|--------------------------|----------------------------------|------------------------------|
| Economic Development and Job Creation | \$399,852 | \$280,049 | \$119,803 |

16. DEFICIT FUND BALANCE

The Capital Fund had a deficit fund balance at June 30, 2021 of \$8,950,688. The deficit is due to the current capital project being funded with a short-term bond anticipation note. The deficit will be eliminated when the note is either repaid with current appropriations or refinanced with long-term debt.

The Special Aid Fund had a deficit fund balance at June 30, 2021 of \$481. The deficit is due to federal program expenditures exceeding grant revenues. The deficit will be eliminated when the fund is made whole.

17. NET POSITION DEFICIT- DISTRICT WIDE

The District-wide Net Position had total net position deficit of \$72,602,546, and an unrestricted portion deficit of \$116,593,941. The deficit is primarily the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which required the recognition of an unfunded liability of \$154,111,457 at June 30, 2021. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

18. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD

The following adjustments were made to the prior year's net position and fund balance due to the implementation of GASB 84, Fiduciary Accounting:

The Government-wide and Miscellaneous Special Revenue Fund's prior year's net position and fund balance were increased by \$104,608 for donated revenues for scholarships administrated by the District previously accounted for in the Fiduciary Fund, Private Purpose Trust.

The Fiduciary Custodial Fund is a new fund required by the new accounting standard. The beginning net position was increased by \$126,603. This beginning balance consisted of Extraclassroom activity funds held by the District but administered by student clubs within the District.

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2021

| | Original Budget | Final Budget | Actual | | Final Budget Variance With Actual |
|--|--------------------|-----------------|---------------|------------|---|
| Revenues | | | | | |
| Local Sources | | | | | |
| Real Property Taxes | \$ 32,691,201 | \$ 32,691,201 | \$ 28,043,182 | \$ | (4,648,019) |
| Other Real Property Tax Items (Including STAR) | 228,075 | 228,075 | 4,938,563 | | 4,710,488 |
| Charges for Services | 48,000 | 48,000 | 88,167 | | 40,167 |
| Use of Money and Property | 85,000 | 85,000 | 4,088 | | (80,912) |
| Sale of Property and Compensation for Loss | 8,500 | 8,500 | 413,739 | | 405,239 |
| Miscellaneous | 915,500 | 915,500 | 1,729,408 | | 813,908 |
| State Aid | 32,800,000 | 32,800,000 | 32,971,868 | | 171,868 |
| Federal Aid | 175,000 | 175,000 | 559,899 | | 384,899 |
| Total Revenues | 66,951,276 | 66,951,276 | 68,748,914 | | 1,797,638 |
| Other Financing Sources | | | | | |
| Transfers from Other Funds | | | 67,199 | | 67,199 |
| Appropriated Reserves | | | | | |
| Appropriated Fund Balance | 5,272,405 | 5,272,411 | | | (5,272,411) |
| Total Revenues and Other Financing Sources | \$ 72,223,681 | \$ 72,223,687 | 68,816,113 | \$ | (3,407,574) |
| Expenditures | | | | | |
| General Support | | | | | |
| Board of Education | \$ 96,232 | \$ 97,095 | 39,460 | \$ 647 | \$ 56,988 |
| Central Administration | 251,546 | 252,096 | 244,355 | | 7,741 |
| Finance | 634,130 | 673,405 | 630,798 | 11,232 | 31,375 |
| Staff | 546,189 | 558,994 | 454,949 | 20,433 | 83,612 |
| Central Services | 4,837,064 | 5,213,505 | 4,100,685 | 136,796 | 976,024 |
| Special Items | 1,109,407 | 1,109,407 | 1,005,127 | 9,755 | 94,525 |
| Total General Support | 7,474,568 | 7,904,502 | 6,475,374 | 178,863 | 1,250,265 |
| Instruction | | | | | |
| Instruction, Administration, and Improvement | 1,927,419 | 1,946,654 | 1,801,355 | 40,361 | 104,938 |
| Teaching - Regular School | 18,932,911 | 20,046,888 | 19,204,679 | 97,025 | 745,184 |
| Programs for Children With Special Needs | 10,826,561 | 10,712,070 | 9,520,890 | 42,697 | 1,148,483 |
| Occupational Education | 1,054,886 | 1,056,820 | 1,056,819 | | 1 |
| Teaching - Special School | 83,340 | 83,340 | 65,895 | | 17,445 |
| Instructional Media | 1,967,217 | 2,839,569 | 2,713,832 | 20,830 | 104,907 |
| Pupil Services | 2,544,544 | 2,519,091 | 2,180,507 | 53,152 | 285,432 |
| Total Instruction | 37,336,878 | 39,204,432 | 36,543,977 | 254,065 | 2,406,390 |
| Pupil Transportation | 3,560,191 | 3,428,023 | 2,654,795 | 12,895 | 760,333 |
| Employee Benefits | 16,232,675 | 14,886,517 | 14,684,962 | 796 | 200,759 |
| Debt Service - Principal | 5,342,974 | 5,360,974 | 5,360,974 | | |
| Debt Service - Interest | 2,161,395 | 1,307,925 | 1,249,269 | | 58,656 |
| Total Expenditures | 72,108,681 | 72,092,373 | 66,969,351 | 446,619 | 4,676,403 |
| Other Financing Uses | | | | | |
| Transfers to Other Funds | 115,000 | 131,314 | 116,314 | | 15,000 |
| Total Expenditures and Other Financing Uses | \$ 72,223,681 | \$ 72,223,687 | 67,085,665 | \$ 446,619 | \$ 4,691,403 |
| Net Change in Fund Balance | | | 1,730,448 | | |
| Fund Balance - Beginning of Year | | | 15,809,977 | | |
| Fund Balance - End of Year | | | \$ 17,540,425 | | |

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended June 30, 2021

| | 2021 | 2020 | 2019 | 2018 * |
|---|------------------------|------------------------|------------------------|------------------------|
| Measurement Date | 7/1/2020 | 7/1/2019 | 7/1/2018 | 7/1/2017 |
| Total OPEB Liability | | | | |
| Service cost | \$ 3,330,589 | \$ 3,332,271 | \$ 3,446,116 | \$ 4,475,435 |
| Interest on Total OPEB Liability | 4,528,167 | 4,789,577 | 4,608,315 | 4,047,343 |
| Change in assumptions and other inputs | 25,421,056 | 362,733 | (1,140,399) | (18,709,208) |
| Change in Benefit Terms | | | 4,778,723 | |
| Differences between expected and actual experience | (3,559,649) | | (12,536,245) | |
| Benefit payments | <u>(3,308,658)</u> | <u>(3,069,288)</u> | <u>(2,868,993)</u> | <u>(2,705,996)</u> |
| Net change in total OPEB Liability | 26,411,505 | 5,415,293 | (3,712,483) | (12,892,426) |
| Total OPEB Liability - Beginning | <u>127,699,952</u> | <u>122,284,659</u> | <u>125,997,142</u> | <u>138,889,568</u> |
| Total OPEB Liability - Ending | <u>\$ 154,111,457</u> | <u>\$ 127,699,952</u> | <u>\$ 122,284,659</u> | <u>\$ 125,997,142</u> |
| Covered payroll | \$ 29,095,975 | \$ 25,075,873 | \$ 17,918,651 | \$ 20,886,428 |
| Total OPEB Liability as a percentage of covered payroll | 530% | 509% | 682% | 603% |

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

Notes to Required Supplementary Information:

The District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Actuarial Assumptions -

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 10 to the financial statements.

Changes to Assumptions -

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in July 1, 2019 to 2.21% percent in July 1, 2020.

**WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2021**

| ERS Pension Plan | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Contractually Required Contribution | \$ 875,658 | \$ 839,936 | \$ 826,899 | \$ 799,287 | \$ 792,584 | \$ 862,099 | \$ 980,871 | \$ 1,080,846 | \$ 936,619 | \$ 788,352 |
| Contributions in Relation to the Contractually Required Contribution | \$ 875,658 | \$ 839,936 | \$ 826,899 | \$ 799,287 | \$ 792,584 | \$ 862,099 | \$ 980,871 | \$ 1,080,846 | \$ 936,619 | \$ 788,352 |
| Contribution Deficiency (Excess) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| School District's Covered-ERS Employee Payroll | \$ 6,050,626 | \$ 5,794,599 | \$ 5,613,734 | \$ 5,348,893 | \$ 5,185,233 | \$ 4,914,397 | \$ 5,119,285 | \$ 5,135,146 | \$ 4,938,442 | \$ 4,957,100 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.47% | 14.50% | 14.73% | 14.94% | 15.29% | 17.54% | 19.16% | 21.05% | 18.97% | 15.90% |

| TRS Pension Plan | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Contractually Required Contribution | \$ 2,246,472 | \$ 2,089,059 | \$ 2,421,596 | \$ 2,277,554 | \$ 2,552,862 | \$ 2,820,261 | \$ 3,647,122 | \$ 3,287,759 | \$ 2,343,638 | \$ 2,170,303 |
| Contributions in Relation to the Contractually Required Contribution | \$ 2,246,472 | \$ 2,089,059 | \$ 2,421,596 | \$ 2,277,554 | \$ 2,552,862 | \$ 2,820,261 | \$ 3,647,122 | \$ 3,287,759 | \$ 2,343,638 | \$ 2,170,303 |
| Contribution Deficiency (Excess) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| School District's Covered-TRS Employee Payroll | \$ 23,572,634 | \$ 23,578,544 | \$ 22,802,222 | \$ 23,240,347 | \$ 21,782,099 | \$ 21,268,937 | \$ 20,805,031 | \$ 20,232,363 | \$ 19,794,240 | \$ 19,534,680 |
| Contributions as a Percentage of Covered-Employee Payroll | 9.53% | 8.86% | 10.62% | 9.80% | 11.72% | 13.26% | 17.53% | 16.25% | 11.84% | 11.11% |

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
For the Year Ended June 30, 2021

ERS Pension Plan

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of net pension liability | 0.017276% | 0.018286% | 0.018527% | 0.018472% | 0.018440% | 0.017969% | 0.018290% | 0.018290% |
| District's proportionate share of the net pension liability | \$ 17,202 | \$ 4,842,304 | \$ 1,312,725 | \$ 596,161 | \$ 1,732,658 | \$ 2,884,052 | \$ 826,486 | \$ 826,486 |
| District's covered-employee payroll | \$ 6,050,626 | \$ 5,794,599 | \$ 5,613,734 | \$ 5,348,893 | \$ 5,185,233 | \$ 4,914,397 | \$ 5,119,285 | \$ 5,135,146 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 00.28% | 83.57% | 23.38% | 11.15% | 33.42% | 58.69% | 16.14% | 16.09% |
| Plan fiduciary net position as a percentage of total pension liability | 99.95% | 86.39% | 96.27% | 98.24% | 94.7% | 90.7% | 97.2% | 97.2% |

TRS Pension Plan

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------|----------------|----------------|----------------|---------------|-----------------|-----------------|---------------|
| District's proportion of net pension asset/liability | 0.138917% | 0.136741% | 0.135875% | 0.137455% | 0.137832% | 0.138503% | 0.136968% | 0.135134% |
| District's proportionate share of the net pension (asset) liability | \$ 3,838,640 | \$ (3,552,539) | \$ (2,456,972) | \$ (1,044,795) | \$ 1,476,243 | \$ (14,386,049) | \$ (15,257,425) | \$ (889,526) |
| District's covered-employee payroll | \$ 23,578,544 | \$ 22,802,222 | \$ 23,240,347 | \$ 21,782,099 | \$ 21,268,937 | \$ 20,805,031 | \$ 20,232,363 | \$ 19,794,240 |
| District's proportionate share of the net pension liability(asset) as a percentage of its covered-employee payroll | 16.28% | (15.58%) | (10.57%) | (4.80%) | 6.94% | (69.15%) | (75.41%) | (4.49%) |
| Plan fiduciary net position as a percentage of total pension liability/asset | 97.80% | 102.20% | 101.53% | 100.66% | 99.01% | 110.46% | 111.48% | 100.70% |

Information is presented only for the years available.

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND REAL PROPERTY TAX LIMIT - GENERAL FUND
For the Year Ended June 30, 2021

Change from Adopted Budget to Revised Budget

| | |
|--------------------------------|----------------------|
| Adopted Budget | \$ 71,801,276 |
| Add: Prior Year's Encumbrances | <u>422,405</u> |
| Original and Final Budget | <u>\$ 72,223,681</u> |

Section 1318 of Real Property Tax Law Limit Calculation

| | |
|---|---------------------|
| 2021-22 Voter-Approved Expenditure Budget | \$ 74,702,240 |
| Maximum Allowed (4% of 2021-22 budget) | <u>\$ 2,988,090</u> |

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

| | | |
|--|------------------|---------------------|
| Unrestricted Fund Balance: | | |
| Assigned Fund Balance | \$ 5,246,619 | |
| Unassigned Fund Balance | <u>2,982,543</u> | |
| Total Unrestricted Fund Balance | | <u>8,229,162</u> |
| Less: | | |
| Appropriated Fund Balance | 4,800,000 | |
| Encumbrances Included in Assigned Fund Balance | <u>446,619</u> | |
| Total adjustments | | <u>5,246,619</u> |
| General Fund's Fund Balance Subject to Section 1318 of Real Property Tax Law | | <u>\$ 2,982,543</u> |
| Actual Percentage | | 3.99% |

See Independent Auditor's Report

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2021

| PROJECT TITLE | Expenditures | | | Methods of Financing | | | Equity Transfer to General Fund | Fund Balance (Deficit) June 30, 2021 | | | | |
|----------------------------|------------------------|-----------------------|---------------|----------------------|---------------|--------------------|---------------------------------|--------------------------------------|-------------------------|-----------------------|---------------|----------------|
| | Original Authorization | Revised Authorization | Prior Years | Current Year | Total | Unexpended Balance | | | Proceeds of Obligations | Federal and State Aid | Local Sources | Total |
| 2009 Capital Project | \$ 44,550,000 | \$ 44,550,000 | \$ 44,531,337 | \$ 44,531,337 | \$ 44,531,337 | \$ 18,663 | \$ 41,390,000 | \$ 1,276,409 | \$ 1,991,733 | \$ 44,658,142 | \$ (126,805) | \$ |
| 2014 Capital Project | 30,678,027 | 30,678,027 | 28,765,995 | 1,673,785 | 30,439,780 | 238,247 | 22,280,000 | | 4,531,280 | 26,811,280 | | |
| 2017-18 Capital Project | 100,000 | 100,000 | 69,447 | | 69,447 | 30,553 | | | 100,000 | 100,000 | (30,553) | (3,628,500) |
| 2018-19 Capital Project | 100,000 | 100,000 | 80,645 | | 80,645 | 19,355 | | | 100,000 | 100,000 | (19,355) | |
| 2019-20 Capital Project | 100,000 | 100,000 | | 102,149 | 102,149 | (2,149) | | | 100,000 | 100,000 | | (2,149) |
| 2019-20 District Wide | 20,304,450 | 20,304,450 | 576,150 | 4,044,822 | 4,620,972 | 15,683,478 | 620,000 | | 1,000,000 | 1,620,000 | | (3,000,972) |
| 2020-21 Capital Project | 100,000 | 100,000 | | | | 100,000 | | | 100,000 | 100,000 | | 100,000 |
| Safety and Security | 1,500,000 | 1,500,000 | 1,500,000 | 4,165 | 1,504,165 | (4,165) | | | 1,500,000 | 1,500,000 | | (4,165) |
| Smart Schools Bonds | 2,455,359 | 2,455,359 | | 1,533,744 | 1,533,744 | 921,615 | | 921,538 | | 921,538 | (13,548) | (612,206) |
| Westmoreland Rd Elementary | 435,000 | 435,000 | 368,564 | | 368,564 | 66,436 | 382,112 | | | 382,112 | | |
| Total Capital Projects | 100,322,836 | 100,322,836 | 75,892,138 | 7,358,665 | 83,250,803 | 17,072,033 | 64,672,112 | 2,197,947 | 9,423,013 | 76,293,072 | (190,261) | (7,147,992) |
| Buses 2008-09 | 460,000 | 460,000 | 449,897 | | 449,897 | 10,103 | | | 450,000 | 450,000 | (103) | |
| Buses 2009-10 | 369,392 | 369,392 | 368,146 | | 368,146 | 1,246 | | | 369,392 | 369,392 | (1,246) | |
| Buses 2010-11 | 337,883 | 377,883 | 377,635 | | 377,635 | 248 | | | 378,000 | 378,000 | (365) | |
| Buses 2011-12 | 409,300 | 409,300 | 395,856 | | 395,856 | 13,444 | | | 396,500 | 396,500 | (644) | |
| Buses 2012-13 | 387,440 | 387,440 | 379,615 | | 379,615 | 7,825 | | | 381,000 | 381,000 | (1,385) | |
| Buses 2013-14 | 355,000 | 355,000 | 354,605 | | 354,605 | 395 | | | 354,605 | 354,605 | | 4,214 |
| Buses 2014-15 | 429,000 | 429,000 | 438,464 | | 438,464 | (9,464) | | | 438,464 | 438,464 | | (198,220) |
| Buses 2015-16 | 428,999 | 428,999 | 441,265 | | 441,265 | (12,266) | | | 350,479 | 445,479 | | (184,597) |
| Buses 2016-17 | 480,505 | 480,505 | 479,725 | | 479,725 | 780 | | | 280,255 | 281,505 | | (221,499) |
| Buses 2017-18 | 419,597 | 419,597 | 419,597 | | 419,597 | | | | 156,250 | 235,000 | | (515,000) |
| Buses 2018-19 | 510,000 | 510,000 | 508,134 | | 508,134 | 1,866 | | | 86,635 | 286,635 | | (687,594) |
| Buses 2019-20 | 650,974 | 650,974 | 650,974 | | 650,974 | | | | | 135,974 | | (1,802,696) |
| Buses 2020-21 | 689,000 | 689,000 | | 687,594 | 687,594 | 1,406 | | | | | | (8,950,688) |
| Total Buses | 5,238,090 | 5,278,090 | 5,263,913 | 687,594 | 5,263,913 | 14,177 | 510,974 | 2,197,947 | 3,641,580 | 4,152,554 | (3,743) | |
| Totals | \$ 105,560,926 | \$ 105,600,926 | \$ 81,156,051 | \$ 8,046,259 | \$ 88,514,716 | \$ 17,086,210 | \$ 65,183,086 | \$ 2,197,947 | \$ 13,064,593 | \$ 80,445,626 | \$ (194,004) | \$ (8,950,688) |

WHITESBORO CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2021

| | |
|--|-----------------------------|
| Capital Assets, Net | \$ 91,403,852 |
| Add: | |
| Unamortized Deferred Charge on Refunding of Debt | <u>219,620</u> |
| | <u>219,620</u> |
| Deduct: | |
| Capital Fund Accounts Payable | 19,000 |
| Serial Bonds Payable | 32,820,000 |
| Unamortized Premium | 3,079,637 |
| Bond Anticipation Notes | <u>22,460,067</u> |
| Net Deductions | <u>58,359,704</u> |
| Net Investment in Capital Assets | <u><u>\$ 33,263,768</u></u> |

See Independent Auditor's Report

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education

Whitesboro Central School District

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 Whitesboro Central School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Whitesboro Central School District's basic financial statements, and have issued our report thereon dated October 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Whitesboro Central School District's internal control over financial reporting (internal control) as a basis for designing 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 Whitesboro Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Whitesboro Central School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Whitesboro Central School District'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 financial statements. 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.

D'Arcangelo & Co., LLP

October 19, 2021

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance

Board of Education
Whitesboro Central School District

Report on Compliance for Each Major Federal Program

We have audited Whitesboro Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Whitesboro Central School District's major Federal programs for the year ended June 30, 2021. The Whitesboro Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its funding awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Whitesboro Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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

D'Arcangelo + Co., LLP

October 19, 2021

Rome, New York

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Agency or Pass-through Number | Current Year Expenditures | Expenditures to Subrecipients |
|--|---------------------------|-------------------------------------|------------------------------|----------------------------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| (Passed Through the State Education Department of the State of New York- Pass-Through Grantor No. 412902060000) | | | | |
| Food Donation (Noncash) | 10.555 | N/A | \$ 39,004 | \$ |
| Summer Food Service Program (Cash Assistance) | 10.559 | N/A | 884,863 | |
| Total U.S. Department of Agriculture (Total Nutrition Cluster) | | | 923,867 | |
| <u>U.S. Department of Education</u> | | | | |
| (Passed Through the State Education Department of the State of New York) | | | | |
| Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act | | | | |
| Governor's Emergency Education Relief (GEER) | 84.425C | 5895-21-2080 | \$ 69,839 | |
| Elementary and Secondary School Emergency Relief (ESSERF) | 84.425D | 5890-21-2080 | 411,619 | |
| Total Education Stabilization Cluster | | | 481,458 | |
| Title I Grants to Local Education Agencies (Part A of ESEA) | 84.010 | 0021-21-2080 | 398,807 | |
| Special Education Cluster (IDEA) | | | | |
| Special Education - Grants to States (IDEA, Part B) | 84.027 | 0032-21-0636 | 786,174 | |
| Special Education - Preschool Grants (IDEA Preschool) | 84.173 | 0033-21-0636 | 18,368 | |
| Total Special Education Cluster (IDEA) | | | 804,542 | |
| Improving Teacher Quality State Grants (Title II, Part A) | 84.367 | 0147-20-2080 | 91,748 | |
| Improving Teacher Quality State Grants (Title II, Part A) | 84.367 | 0147-21-2080 | 19,564 | |
| Total | | | 111,312 | |
| Student Support and Academic Enrichment (Title IV) | 84.424 | 0204-20-2080 | 995 | |
| Student Support and Academic Enrichment (Title IV) | 84.424 | 0204-21-2080 | 3,500 | |
| Total | | | 4,495 | |
| Total U.S Department of Education | | | 1,800,614 | |
| <u>Total Federal Financial Assistance</u> | | | <u>\$ 2,724,481</u> | <u>\$</u> |

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

WHITESBORO CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Whitesboro Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Indirect Cost Rate

The School District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2021, the School District had food commodities totaling \$23,468 in inventory.

WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2021

Summary of Auditor's Results

| | | |
|-------------|---|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Was there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other significant deficiencies reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material significant deficiencies reported for major Federal programs? | No |
| (d)(1)(iv) | Were there any other significant deficiencies reported for major Federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| (d)(1)(vi) | Are there any reportable findings under 2 CFR Section 200.516(a)? | No |
| (d)(1)(vii) | Major Programs (list): | <u>U.S. Department of Education</u> Special Education Cluster: CFDA #84.027- Special Education (IDEA Sec. 611) Grants CFDA #84.173- Special Education (IDEA Sec. 619) Grants Education Stabilization Fund-COVID-19: CFDA #84.425D - ESSER CFDA #84.425C - GEER |
| | Dollar Threshold: Type A\B Programs | Type A: > \$ 750,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | No |

**WHITESBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2021**

(Continued)

Findings and Questioned Costs – Major Federal Award Programs Audit

No new findings in the current year, see Status of Prior Year's Findings.

**WHITESBORO CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2021**

No prior year audit findings.