

**WYOMING CENTRAL  
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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June 30, 2020

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## INDEPENDENT AUDITORS' REPORT

The Board of Education  
Wyoming Central School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Wyoming Central School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

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

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

### Opinions

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 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 financial statements, and other knowledge we obtained during our audit of the 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the 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 8, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

October 8, 2020

**Management’s Discussion and Analysis (unaudited)**

June 30, 2020

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**Introduction**

Management’s Discussion and Analysis (MD&A) of Wyoming Central School District (the District) provides an overview of the District’s financial activities and performance for the year ended June 30, 2020. The information contained in the MD&A should be considered in conjunction with the information presented in the District’s financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the District’s financial position and results of operations. The District’s financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) agency fund statements; (5) notes to the financial statements; and (6) supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. The statement of activities presents information showing how the District’s net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District’s near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District’s near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Agency funds are used to account for resources held for the benefit of parties outside the District. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and governmental fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles and the New York State Education Department.

<b>Condensed Statement of Net Position</b>	<b>2020</b>	2019	Change	
			\$	%
Current and other assets	\$ 4,493,000	\$ 5,290,000	\$ (797,000)	(15.1%)
Capital assets	7,089,000	5,851,000	1,238,000	21.2%
<b>Total assets</b>	<b>11,582,000</b>	11,141,000	441,000	4.0%
<b>Deferred outflows of resources</b>	<b>1,207,000</b>	1,187,000	20,000	1.7%
Long-term liabilities	3,531,000	3,583,000	(52,000)	(1.5%)
Other liabilities	948,000	828,000	120,000	14.5%
<b>Total liabilities</b>	<b>4,479,000</b>	4,411,000	68,000	1.5%
<b>Deferred inflows of resources</b>	<b>340,000</b>	195,000	145,000	74.4%
<b>Net position</b>				
Net investment in capital assets	5,778,000	4,489,000	1,289,000	28.7%
Restricted	2,127,000	3,198,000	(1,071,000)	(33.5%)
Unrestricted	65,000	35,000	30,000	85.7%
<b>Total net position</b>	<b>\$ 7,970,000</b>	\$ 7,722,000	\$ 248,000	3.2%

Net position amounted to \$7,970,000 and \$7,722,000 at June 30, 2020 and 2019. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less the related debt used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used, which include reserve accounts set aside for specific purposes governed by laws and regulations. Such items include the retirement contribution reserve, restricted to fund contributions paid by the District for both retirement systems, and an employee benefit accrued liability reserve which must be used to pay accumulated vacation and sick time. Other restricted resources include capital, repair, and unemployment insurance, which are similarly restricted for spending as indicated by their names.

Total assets increased by \$441,000 (\$751,000 or 7.2% increase in 2019). Current and other assets decreased by \$797,000. Capital assets increased by \$1,238,000 due to current year spending on the 2018 Capital Improvements project. Other liabilities increased \$120,000 (\$37,000 or 4.7% increase in 2019) as a result of capital spending for invoices not yet paid at year end.

Long-term liabilities decreased \$52,000 (increase of \$254,000 or 7.6% in 2019) due to a decrease in the liability for other postemployment benefits (OPEB) of \$243,000, offset by an increase in the net pension liability from the New York State and Local Employees' Retirement System (ERS) of \$267,000.

Changes in deferred outflows and deferred inflows of resources include changes in pension activity at the State level which is required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions.

<b>Condensed Statement of Activities</b>	<b>2020</b>	2019	Change	
			\$	%
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 94,000	\$ 57,000	\$ 37,000	64.9%
Operating grants and contributions	162,000	168,000	(6,000)	(3.6%)
Capital grants and contributions	71,000	-	71,000	100.0%
General revenues				
Property taxes	2,148,000	2,185,000	(37,000)	(1.7%)
State aid	2,447,000	2,527,000	(80,000)	(3.2%)
Other	102,000	88,000	14,000	15.9%
<b>Total revenues</b>	<b>5,024,000</b>	5,025,000	(1,000)	-
<b>Expenses</b>				
Instruction	2,772,000	2,598,000	174,000	6.7%
Support services				
General support	1,398,000	1,254,000	144,000	11.5%
Pupil transportation	527,000	500,000	27,000	5.4%
Food service	8,000	22,000	(14,000)	(63.6%)
Interest and other	71,000	74,000	(3,000)	(4.1%)
<b>Total expenses</b>	<b>4,776,000</b>	4,448,000	328,000	7.4%
Change in net position	248,000	577,000	(329,000)	(57.0%)
Net position – beginning	7,722,000	7,145,000	577,000	8.1%
<b>Net position – ending</b>	<b>\$ 7,970,000</b>	\$ 7,722,000	\$ 248,000	3.2%

District revenues decreased by \$1,000 in 2020 (\$26,000 or 0.5% decrease in 2019). The District received \$80,000 less in State aid compared to 2019 due to decreases in BOCES aid and excess cost aid. This decrease is offset by \$71,000 of Smart Schools Bond Act grant funds received in 2020 and included in capital grants and contributions. Total expenses increased \$328,000 in 2020 (\$205,000 or 4.8% increase in 2019). The District recognized an increase in salaries expense of \$75,000 due to step and scale adjustments. Health insurance and other employee benefits increased \$206,000 due to payments related to current year retirements. Additionally, pension expense added an additional \$190,000 in expense compared to 2019 while OPEB expense decreased \$174,000 due to changes in benefit terms.

### Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased from \$4,336,000 to \$3,362,000 as further described below:

- On an overall basis, expenditures of \$6,002,000 exceeded revenues of \$5,028,000 resulting in a decrease of \$974,000 in fund balances.
- The general fund experienced a net decrease of \$578,000 (\$162,000 decrease in 2019) for the following reasons:
  - Expenses increased \$309,000 primarily due to an increase in payroll of \$75,000 as discussed above, as well as employee benefit increases of \$195,000 as a result of health insurance and retirement contributions for three retirees during 2020.
  - Transfers to other funds increased \$34,000 due to the transfer of \$939,000 to the capital projects fund for ongoing projects during 2019. Of the total, \$850,000 was funded from capital reserve funds.
- The capital fund experienced a net decrease of \$387,000 (\$46,000 decrease in 2019) due to expenditures of \$1,397,000 for ongoing projects.

### General Fund Budgetary Highlights

The final general fund revenue budget was \$4,806,000, with actual revenues amounting to \$4,827,000. Actual expenditures and carryover encumbrances were less than the final amended budget by \$792,000 or 15.0%. The difference is attributable to many factors and many unknown items at the time the budget is prepared.

## Capital Assets

	2020	2019
Land and land improvements	\$ 422,000	\$ 422,000
Buildings and improvements	7,289,000	7,199,000
Furniture, equipment, and vehicles	1,352,000	1,229,000
Construction in progress	1,404,000	167,000
	<u>10,467,000</u>	9,017,000
Accumulated depreciation	<u>(3,378,000)</u>	<u>(3,166,000)</u>
	<u>\$ 7,089,000</u>	<u>\$ 5,851,000</u>

Current year additions of \$1,493,000 were offset by depreciation expense and disposals of \$255,000.

## Debt

At June 30, 2020, the District had \$1,380,000 in bonds outstanding, with \$55,000 due within one year (\$1,435,000 outstanding at June 30, 2019). Outstanding compensated absences payable were \$348,000 with \$32,000 expected to be paid within one year (\$360,000 outstanding at June 30, 2019).

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

## Current Financial Issues and Concerns

The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on all school districts, residents, employees, and vendors, none of which can be predicted. The District has already experienced a 20% holdback of State aid that could become permanent. Significant reductions are expected in 2020-2021 for State aid. Federal revenue sources are expected to increase but the extent of Federal assistance is not yet known.

The District will need to plan accordingly to mitigate the uncertainty of less State aid. The District may need to use reserve funds, as permitted by law, to lessen the budget impact. The property tax levy cap requires using reserves judiciously. These issues and concerns are exacerbated by COVID-19 which emphasizes the importance in planning carefully and prudently to provide the educational resources necessary to meet student needs and flexibility on how students are taught.

## Contacting the District's Financial Management

This financial report is designed to provide District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Joelle Stroud, District Treasurer, Wyoming Central School District, 1225 State Route 19, PO Box 244, Wyoming, New York 14591.



WYOMING CENTRAL SCHOOL DISTRICT

**Statement of Net Position**

June 30, 2020

(With comparative totals as of June 30, 2019)

	2020	2019
<b>Assets</b>		
Cash	\$ 4,015,312	\$ 4,928,701
Due from other governments, net	163,906	144,856
Accounts, state, and federal aid receivable, net	128,260	88,420
Net pension asset	185,677	127,494
Capital assets (Note 5)	10,467,254	9,016,996
Accumulated depreciation	(3,378,065)	(3,165,652)
<b>Total assets</b>	<b>11,582,344</b>	<b>11,140,815</b>
<b>Deferred Outflows of Resources</b>		
Defeasance loss	235,694	248,788
Deferred outflows of resources related to pensions	864,642	783,762
Deferred outflows of resources related to OPEB	106,967	154,947
<b>Total deferred outflows of resources</b>	<b>1,207,303</b>	<b>1,187,497</b>
<b>Liabilities</b>		
Accounts payable	469,600	229,039
Accrued liabilities	4,452	10,656
Due to retirement systems	130,696	146,785
Due to fiduciary funds	68,187	166,672
Due to other governments	275,339	275,339
Long-term liabilities		
Due within one year:		
Bonds	55,000	55,000
Compensated absences	32,000	18,000
Due beyond one year:		
Bonds and related premium	1,491,872	1,556,143
Compensated absences	316,000	342,000
Net pension liability	365,854	98,427
Total OPEB liability	1,270,073	1,513,281
<b>Total liabilities</b>	<b>4,479,073</b>	<b>4,411,342</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	263,641	195,289
Deferred inflows of resources related to OPEB	77,024	-
<b>Total deferred inflows of resources</b>	<b>340,665</b>	<b>195,289</b>
<b>Net Position</b>		
Net investment in capital assets	5,778,011	4,488,989
Restricted	2,127,197	3,198,368
Unrestricted	64,701	34,324
<b>Total net position</b>	<b>\$ 7,969,909</b>	<b>\$ 7,721,681</b>

See accompanying notes.

WYOMING CENTRAL SCHOOL DISTRICT

**Statement of Activities**

For the year ended June 30, 2020  
 (With summarized comparative totals for June 30, 2019)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2020	2019
<b>Governmental activities</b>						
General support	\$ 1,397,551	\$ 36,000	\$ -	\$ -	\$ (1,361,551)	\$ (1,218,319)
Instruction	2,771,914	57,677	162,037	70,826	(2,481,374)	(2,408,768)
Pupil transportation	526,727	-	-	-	(526,727)	(500,383)
Community service	180	-	-	-	(180)	(148)
Interest expense	71,042	-	-	-	(71,042)	(73,292)
School food service	7,906	-	-	-	(7,906)	(21,665)
	<u>\$ 4,775,320</u>	<u>\$ 93,677</u>	<u>\$ 162,037</u>	<u>\$ 70,826</u>	<u>(4,448,780)</u>	<u>(4,222,575)</u>
<b>General revenues</b>						
					2,147,554	2,184,574
Real property taxes					102,335	87,828
Other income					2,447,119	2,527,066
State aid					<u>4,697,008</u>	<u>4,799,468</u>
<b>Total general revenues</b>						
					248,228	576,893
Change in net position						
					7,721,681	7,144,788
Net position - beginning					<u>\$ 7,969,909</u>	<u>\$ 7,721,681</u>
<b>Net position - ending</b>						

WYOMING CENTRAL SCHOOL DISTRICT

**Balance Sheet - Governmental Funds**

June 30, 2020

(With summarized comparative totals as of June 30, 2019)

	General	Capital Projects	Special Aid	School Lunch	Total Governmental Funds	
					2020	2019
<b>Assets</b>						
Cash	\$ 3,643,844	\$ 369,014	\$ 486	\$ 1,968	<b>\$ 4,015,312</b>	\$ 4,928,701
Due from other governments, net	93,080	70,826	-	-	<b>163,906</b>	144,856
Accounts, state, and federal aid receivable, net	98,381	-	24,845	5,034	<b>128,260</b>	88,420
Due from other funds, net	-	-	-	53,530	<b>53,530</b>	158,598
<b>Total assets</b>	<b>\$ 3,835,305</b>	<b>\$ 439,840</b>	<b>\$ 25,331</b>	<b>\$ 60,532</b>	<b>\$ 4,361,008</b>	<b>\$ 5,320,575</b>
<b>Liabilities</b>						
Accounts payable	\$ 221,357	\$ 243,621	\$ 4,622	\$ -	<b>\$ 469,600</b>	\$ 229,039
Accrued liabilities	1,452	-	-	-	<b>1,452</b>	7,656
Due to retirement systems	130,696	-	-	-	<b>130,696</b>	146,785
Due to other funds, net	101,008	-	20,709	-	<b>121,717</b>	325,270
Due to other governments	275,339	-	-	-	<b>275,339</b>	275,339
<b>Total liabilities</b>	<b>729,852</b>	<b>243,621</b>	<b>25,331</b>	<b>-</b>	<b>998,804</b>	<b>984,089</b>
<b>Fund Balances</b>						
Restricted:						
Capital	701,346	196,219	-	-	<b>897,565</b>	1,781,373
Unemployment insurance	310,292	-	-	-	<b>310,292</b>	309,549
Retirement contribution	332,899	-	-	-	<b>332,899</b>	308,242
Employee benefit accrued liability	293,432	-	-	-	<b>293,432</b>	357,256
Repair	293,009	-	-	-	<b>293,009</b>	441,948
Assigned:						
Designated for subsequent year's expenditures	455,000	-	-	-	<b>455,000</b>	455,000
Other purposes	33,187	-	-	60,532	<b>93,719</b>	80,328
Unassigned	686,288	-	-	-	<b>686,288</b>	602,790
<b>Total fund balances</b>	<b>3,105,453</b>	<b>196,219</b>	<b>-</b>	<b>60,532</b>	<b>3,362,204</b>	<b>4,336,486</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,835,305</b>	<b>\$ 439,840</b>	<b>\$ 25,331</b>	<b>\$ 60,532</b>	<b>\$ 4,361,008</b>	<b>\$ 5,320,575</b>

WYOMING CENTRAL SCHOOL DISTRICT

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**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position**

June 30, 2020

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<b>Total fund balances - governmental funds</b>		\$ 3,362,204
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		7,089,189
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Net pension asset	185,677	
Deferred outflows of resources related to pensions	864,642	
Net pension liability	(365,854)	
Deferred inflows of resources related to pensions	<u>(263,641)</u>	420,824
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:		
Deferred outflows of resources related to OPEB	106,967	
Total OPEB liability	(1,270,073)	
Deferred inflows of resources related to OPEB	<u>(77,024)</u>	(1,240,130)
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.		235,694
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:		
Bonds and related premium	(1,546,872)	
Accrued interest	(3,000)	
Compensated absences	<u>(348,000)</u>	(1,897,872)
<b>Net position - governmental activities</b>		<b>\$ 7,969,909</b>

WYOMING CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**

For the year ended June 30, 2020  
(With summarized comparative totals for June 30, 2019)

	General	Capital Projects	Special Aid	School Lunch	Total Governmental Funds	
					2020	2019
<b>Revenues</b>						
Real property taxes	\$ 1,740,573	\$ -	\$ -	\$ -	\$ 1,740,573	\$ 1,879,392
Real property tax items	406,981	-	-	-	406,981	305,182
Charges for services	57,677	-	-	-	57,677	20,709
Use of money and property	47,579	326	-	-	47,905	46,147
Sale of property and compensation for loss	1,043	-	-	-	1,043	5,566
Miscellaneous	94,051	-	104	-	94,155	81,184
State sources	2,447,119	70,826	-	-	2,517,945	2,527,066
Federal sources	32,433	-	129,500	-	161,933	167,093
<b>Total revenues</b>	<b>4,827,456</b>	<b>71,152</b>	<b>129,604</b>	<b>-</b>	<b>5,028,212</b>	<b>5,032,339</b>
<b>Expenditures</b>						
General support	1,177,799	917,941	-	14,155	2,109,895	1,143,215
Instruction	1,833,831	479,352	129,604	-	2,442,787	2,091,767
Pupil transportation	382,093	-	-	-	382,093	467,849
Community service	180	-	-	-	180	148
Employee benefits	945,320	-	-	-	945,320	749,484
Debt service						
Principal	55,000	-	-	-	55,000	45,000
Interest	67,219	-	-	-	67,219	69,469
<b>Total expenditures</b>	<b>4,461,442</b>	<b>1,397,293</b>	<b>129,604</b>	<b>14,155</b>	<b>6,002,494</b>	<b>4,566,932</b>
Excess revenues (expenditures)	366,014	(1,326,141)	-	(14,155)	(974,282)	465,407
<b>Other financing sources (uses)</b>						
Operating transfers	(944,732)	939,457	-	5,275	-	-
Net change in fund balances	(578,718)	(386,684)	-	(8,880)	(974,282)	465,407
Fund balances - beginning	3,684,171	582,903	-	69,412	4,336,486	3,871,079
<b>Fund balances - ending</b>	<b>\$ 3,105,453</b>	<b>\$ 196,219</b>	<b>\$ -</b>	<b>\$ 60,532</b>	<b>\$ 3,362,204</b>	<b>\$ 4,336,486</b>

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year ended June 30, 2020

**Total net change in fund balances - governmental funds** \$ (974,282)

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

Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over the estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceed depreciation expense and disposals. 1,237,845

Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:

2020 TRS and ERS contributions	164,393	
2020 ERS accrued contribution	19,039	
2019 ERS accrued contribution	(15,681)	
2020 TRS net pension expense	(238,357)	
2020 ERS net pension expense	<u>(126,110)</u>	(196,716)

OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.

118,204

Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.

55,000

In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds, these expenditures are reported when paid.

These differences are:

Amortization of bond premium and defeasance loss	(3,823)	
Compensated absences	<u>12,000</u>	8,177

**Change in net position - governmental activities** \$ 248,228

WYOMING CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund**

For the year ended June 30, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
	Original	Final			
<b>Revenues</b>					
Local sources					
Real property taxes	\$ 2,018,690	\$ 1,740,573	\$ 1,740,573		\$ -
Real property tax items	122,758	400,875	406,981		6,106
Charges for services	-	-	57,677		57,677
Use of money and property	39,000	39,000	47,579		8,579
Sale of property and compensation for loss	-	-	1,043		1,043
Miscellaneous	50,000	50,000	94,051		44,051
State sources	2,555,248	2,555,248	2,447,119		(108,129)
Federal sources	20,000	20,000	32,433		12,433
<b>Total revenues</b>	<b>4,805,696</b>	<b>4,805,696</b>	<b>4,827,456</b>		<b>21,760</b>
<b>Expenditures</b>					
General support					
Board of education	18,786	18,786	16,826	-	(1,960)
Central administration	179,224	179,224	176,191	5	(3,028)
Finance	180,949	180,949	178,517	1,375	(1,057)
Staff	51,055	83,397	71,443	-	(11,954)
Central services	743,982	678,983	643,620	18,949	(16,414)
Special items	99,247	99,128	91,202	-	(7,926)
Instruction					
Instruction, administration, and improvement	78,521	53,738	49,625	-	(4,113)
Teaching - regular school	1,135,453	1,097,871	930,080	2,585	(165,206)
Programs for children with handicapping conditions	795,067	762,300	577,543	237	(184,520)
Occupational education	27,078	27,078	27,078	-	-
Teaching - special schools	2,940	2,940	-	-	(2,940)
Instructional media	23,932	59,357	17,275	736	(41,346)
Pupil services	277,349	277,349	232,230	1,416	(43,703)
Pupil transportation	532,565	532,565	382,093	7,884	(142,588)
Community service	3,500	3,500	180	-	(3,320)
Employee benefits	1,014,545	1,107,028	945,320	-	(161,708)
Debt service					
Principal	55,000	55,000	55,000	-	-
Interest	67,219	67,219	67,219	-	-
<b>Total expenditures</b>	<b>5,286,412</b>	<b>5,286,412</b>	<b>4,461,442</b>	<b>33,187</b>	<b>(791,783)</b>
Excess revenues (expenditures)	(480,716)	(480,716)	366,014	(33,187)	813,543
<b>Other financing sources (uses)</b>					
Operating transfers out	(122,500)	(972,500)	(944,732)		(27,768)
Appropriated fund balances, reserves, and carryover encumbrances	603,216	1,453,216	-		(1,453,216)
<b>Total other financing sources (uses)</b>	<b>480,716</b>	<b>480,716</b>	<b>(944,732)</b>		<b>(1,425,448)</b>
<b>Excess revenues (expenditures) and other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (578,718)</b>	<b>\$ (33,187)</b>	<b>\$ (611,905)</b>

See accompanying notes.

**Statement of Fiduciary Net Position**

June 30, 2020

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	<u>Agency</u>
<b>Assets</b>	
Cash	\$ 274,560
Due from governmental funds	<u>68,187</u>
<b>Total assets</b>	<b><u>\$ 342,747</u></b>
<b>Liabilities</b>	
Extraclassroom activities balances	\$ 11,614
Agency liabilities	<u>331,133</u>
<b>Total liabilities</b>	<b><u>\$ 342,747</u></b>

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## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies

#### Reporting Entity

Wyoming Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America, nor does it contain any component units.

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

#### Joint Venture

The District is one of 22 participating school districts in the Genesee Valley Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2020, the District was billed \$839,000 for BOCES administrative and program costs and recognized revenue of \$84,000 as a refund from prior year expenditures paid to BOCES. In addition, the District was paid \$36,000 for rental of various classrooms to BOCES. Audited financial statements are available from BOCES' administrative offices.

#### Public Entity Risk Pools

The District participates in the Genesee Area Healthcare Plan and the Wyoming County Workers' Compensation Self-Insurance Plan, which are public entity risk pools. These plans are designed to provide health insurance and workers' compensation coverage for participating entities. These activities are further discussed in Note 9.

## Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) grants and contributions limited to the purchase of specific capital assets. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District also elected to display the following as major funds:

- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources - other than expendable trusts or major capital projects - such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *School lunch fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs operated by BOCES.

The District reports the following fiduciary fund:

- *Agency fund.* This fund accounts for assets held by the District as agent for various student groups and clubs, payroll, and employee third party withholdings. The agency fund is custodial in nature and does not involve measurement of results of operations.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

## **Basis of Accounting and Measurement Focus**

The government-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 flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include property taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment and property purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

## **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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## **Property Taxes**

The District levies real property taxes no later than September 1. For the year ended June 30, 2020, the tax lien was issued on August 8, 2019 for collection from September 1, 2019 through November 2, 2019. Thereafter, uncollected amounts became the responsibility of Wyoming and Genesee Counties and were submitted to the District by April 1<sup>st</sup> of the following year as required by law.

## **Budget Process, Amendments, and Encumbrances**

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2019 was approved by a majority of the voters in a general election held on May 21, 2019.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

**Capital Assets**

Capital assets are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	\$ 5,000	20
Buildings and improvements	\$ 5,000	20 - 50
Furniture and fixtures	\$ 5,000	5 - 20
Vehicles	\$ 5,000	8 - 15

**Bond Premiums**

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

**Bond Defeasances**

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

**Pensions**

The District participates in the New York State Teachers’ Retirement System (TRS) and the New York State and Local Employees’ Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the District recognizes its proportionate share of the net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

**Other Postemployment Benefits (OPEB)**

On the government-wide statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the District’s defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments are recognized when due and payable in accordance with benefit terms.

## Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and those expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with administrators and employee groups which provide for the payment of accumulated sick time at retirement or the option of converting this vested amount to provide for the payment of health insurance until exhausted.

The government-wide financial statements reflect the estimated liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

## Equity Classifications

### Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets and defeasance losses, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

### Governmental Fund Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash.

Fund balance restrictions consist of the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2004 and 2019, District voters approved capital reserves totaling \$750,000 and \$950,000, which have been fully funded and include accumulated interest earnings. In 2020, the District voters approved another capital reserve fund in the amount of \$250,000, which has been fully funded.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2020, the retirement contribution reserve includes \$46,941 for TRS and \$285,958 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is 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.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment, and requires a public hearing prior to its use.

### **Interfund Balances**

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

## **2. Stewardship and Compliance**

The District's unassigned fund balance in the general fund exceeds the 4% limit of the 2021 expenditure budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

## **3. Cash**

Cash management is governed by State laws and as established in the District's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District's banking policies permit the Treasurer to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2020, the District's bank deposits were fully collateralized by FDIC coverage or collateralized with securities held by the pledging institution's agent in the District's name.

#### 4. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ -	\$ 101,008	\$ -	\$ 944,732
Capital projects	-	-	939,457	-
Special aid	43,221	63,930	-	-
School lunch	53,530	-	5,275	-
Fiduciary	68,187	-	-	-
	<u>\$ 164,938</u>	<u>\$ 164,938</u>	<u>\$ 944,732</u>	<u>\$ 944,732</u>

The District uses various funds to provide cash flows to other funds. Amounts are typically repaid in the subsequent year when funds are available. Amounts due from the general fund to the fiduciary fund are for payroll withholdings and are relieved when paid to third parties. The transfers from the general fund to the capital projects fund and school lunch fund represent the District's local share of capital projects and school lunch expenditures. All transfers are considered permanent.

#### 5. Capital Assets

	July 1, 2019	Increases	Retirements/ Reclassifications	June 30, 2020
<b>Non-depreciable capital assets:</b>				
Land	\$ 87,400	\$ -	\$ -	\$ 87,400
Construction in progress	167,420	1,237,010	-	1,404,430
Total non-depreciable assets	<u>254,820</u>	<u>1,237,010</u>	<u>-</u>	<u>1,491,830</u>
<b>Depreciable capital assets:</b>				
Land improvements	334,257	-	-	334,257
Buildings and improvements	7,199,472	89,457	-	7,288,929
Furniture and fixtures	466,164	107,983	-	574,147
Vehicles	762,283	58,857	(43,049)	778,091
Total depreciable assets	<u>8,762,176</u>	<u>256,297</u>	<u>(43,049)</u>	<u>8,975,424</u>
<b>Less accumulated depreciation:</b>				
Land improvements	72,159	15,224	-	87,383
Buildings and improvements	2,410,291	139,455	-	2,549,746
Furniture and fixtures	373,588	16,925	-	390,513
Vehicles	309,614	79,194	(38,385)	350,423
Total accumulated depreciation	<u>3,165,652</u>	<u>250,798</u>	<u>(38,385)</u>	<u>3,378,065</u>
Total depreciable assets, net	<u>5,596,524</u>	<u>5,499</u>	<u>(4,664)</u>	<u>5,597,359</u>
	<u>\$ 5,851,344</u>	<u>\$ 1,242,509</u>	<u>\$ (4,664)</u>	<u>\$ 7,089,189</u>

Depreciation expense has been allocated to the following functions: general support \$44,284, instruction \$126,904, pupil transportation \$79,194, and food service \$416.

As of June 30, 2020, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	\$ 7,089,189
Defeasance loss	235,694
Bonds and related premium	(1,546,872)
	<u>\$ 5,778,011</u>

## 6. Long-Term Liabilities

	July 1, 2019	Increases	Decreases	June 30, 2020	Amount Due in One Year
Bonds	\$ 1,435,000	\$ -	\$ 55,000	\$ 1,380,000	\$ 55,000
Premium on 2015 refunded bonds	176,143	-	9,271	166,872	-
Compensated absences	360,000	-	12,000	348,000	32,000
	<u>\$ 1,971,143</u>	<u>\$ -</u>	<u>\$ 76,271</u>	<u>\$ 1,894,872</u>	<u>\$ 87,000</u>

### Existing Obligations

Description	Maturity	Rate	Balance
2015 DASNY Refunding	June 2038	3.0% - 5.0%	<u>\$ 1,380,000</u>

### Debt Service Requirements

Years ending June 30,	Principal	Interest
2021	\$ 55,000	\$ 64,469
2022	55,000	61,719
2023	55,000	58,969
2024	65,000	56,219
2025	60,000	52,969
2026-2030	350,000	219,593
2031-2035	430,000	140,411
2036-2038	310,000	31,500
	<u>\$ 1,380,000</u>	<u>\$ 685,849</u>

## 7. Pension Plans

### Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at [www.nystrs.org](http://www.nystrs.org).
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

*Benefits:* The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.



*Contribution Requirements:* No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 8.86% for 2020. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2020, these rates ranged from 9.3% - 15.8%.

The amount outstanding and payable to TRS for the year ended June 30, 2020 was \$107,643. A liability to ERS of \$19,039 is accrued based on the District's legally required contribution for employee services rendered from April 1, 2020 through June 30, 2020.

**Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources**

At June 30, 2020, the District reported an asset of \$185,677 for its proportionate share of the TRS net pension position and a liability of \$365,854 for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2019, and the total pension liability was determined by an actuarial valuation as of June 30, 2018, with update procedures applied to roll forward the net pension position to June 30, 2019. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2019, the District's proportion was 0.007147%, an increase of 0.000096 from its proportion measured as of June 30, 2018.

The ERS net pension position was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2020 measurement date, the District's proportion was 0.0013816%, a decrease of 0.0000076 from its proportion measured as of March 31, 2019.

For the year ended June 30, 2020, the District recognized net pension expense of \$364,467 on the government-wide statements (TRS expense of \$238,357 and ERS expense of \$126,110). At June 30, 2020, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,829	\$ 13,807	\$ 21,532	\$ -
Changes of assumptions	350,769	85,527	7,367	6,361
Net difference between projected and actual earnings on pension plan investments	-	148,904	187,555	-
Changes in proportion and differences between District contributions and proportionate share of contributions	37,792	6,435	7,116	2,607
District contributions subsequent to the measurement date	107,643	-	19,039	-
	<u>\$ 622,033</u>	<u>\$ 254,673</u>	<u>\$ 242,609</u>	<u>\$ 8,968</u>

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

Years ending June 30,	TRS		ERS	
2021	\$	92,880	\$	36,927
2022		14,207		54,458
2023		92,576		68,246
2024		60,837		54,971
2025		6,408		-
Thereafter		(7,191)		-
	\$	259,717	\$	214,602

### Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2018 valuation, with update procedures used to roll forward the total pension liability to June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

*Inflation – 2.2%*

*Salary increases – Based on TRS member experience, dependent on service, ranging from 1.90%-4.72%*

*Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually*

*Investment rate of return – 7.1% compounded annually, net of investment expense, including inflation*

*Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2018, applied on a generational basis*

*Discount rate – 7.1%*

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. 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.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation, with update procedures used to roll forward the total pension liability to March 31, 2020, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

*Inflation – 2.5%*

*Salary increases – 4.2%*

*COLA – 1.3% annually*

*Investment rate of return – 6.8% compounded annually, net of investment expense, including inflation*

*Mortality – Society of Actuaries’ Scale MP-2018*

*Discount rate – 6.8%*

The long-term expected rate of return on ERS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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.

## Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.3%	36%	4.1%
Global and international equities	20%	7.2%-7.8%	14%	6.2%
Private equities	8%	9.9%	10%	6.8%
Real estate	11%	4.6%	10%	5.0%
Inflation-indexed bonds	-	-	4%	0.5%
Domestic fixed income securities	16%	1.3%	-	-
Global fixed income securities	2%	0.9%	-	-
Bonds and mortgages	7%	2.9%	17%	0.8%
Short-term	1%	0.3%	1%	-
Other	2%	3.6%-6.5%	8%	3.3%-6.0%
	<u>100%</u>		<u>100%</u>	

## Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 7.1% (TRS) and 6.8% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	At Current		
	1.0% Decrease	Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	\$ (838,128)	\$ 185,677	\$ 1,044,534
District's proportionate share of the ERS net pension asset (liability)	\$ (671,446)	\$ (365,854)	\$ (84,403)

## 8. OPEB

### Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance for certain District retirees and spouses. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. Eligibility is based on covered employees who retire from the District over the age of 55 and have met vesting requirements. Retirees are provided with health insurance at different cost percentages depending on their retirement date and bargaining unit. The District principally provides a fixed per annum contribution towards insurance for those employee groups covered and provides an age-related implicit subsidy for all employees. The Plan has no assets, does not issue financial statements, and is not a trust.

At March 1, 2020, employees covered by the Plan include:

Active employees	39
Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	-
	<u>50</u>

**Total OPEB Liability**

The District’s total OPEB liability of \$1,270,073 was measured as of March 31, 2020 and was determined by an actuarial valuation as of June 30, 2020.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Healthcare cost trend rates* – based on the National Health Expenditure Projections 2011-2027 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2020 (updated September 2019) for long-term rates, initially 5.20% and declining to 4.18% after 2070
- Salary increases* – 3.22%
- Mortality* – Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality, fully generational using scale MP-2019
- Discount rate* – 2.48% based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date
- Inflation rate* – 2.22%

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2019	\$ 1,513,281
Changes for the year:	
Service cost	30,090
Interest	50,485
Changes of benefit terms	(160,942)
Differences between expected and actual experience	(104,532)
Changes of assumptions or other inputs	17,463
Benefit payments	(75,772)
Net changes	(243,208)
Balance at June 30, 2020	\$ 1,270,073

The following presents the sensitivity of the District’s total OPEB liability to changes in the discount rate, including what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease	Discount Rate	1.0% Increase
	(1.48%)	(2.48%)	(3.48%)
Total OPEB liability	\$ (1,360,404)	\$ (1,270,073)	\$ (1,187,486)

The following presents the sensitivity of the District’s total OPEB liability to changes in the healthcare cost trend rates, including what the District’s total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	Healthcare Cost		
	1.0% Decrease (4.20% to 3.18%)	Trend Rate (5.20% to 4.18%)	1.0% Increase (6.20% to 5.18%)
Total OPEB liability	\$ (1,189,099)	\$ (1,270,073)	\$ (1,361,431)

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources**

For the year ended June 30, 2020, the District recognized OPEB income of \$23,541. At June 30, 2020, the District reported deferred outflows 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	\$ 72,583	\$ 77,024
Changes of assumptions or other inputs	15,493	-
Contributions subsequent to the measurement date	18,891	-
	<u>\$ 106,967</u>	<u>\$ 77,024</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2021	\$ 52,296
2022	(22,911)
2023	(18,333)
	<u>\$ 11,052</u>

**9. Risk Management**

**General Liability**

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

**Health Insurance**

The District participates in the Genesee Area Healthcare Plan (the Plan), sponsored by Genesee Valley BOCES. The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 24 participating members as of June 30, 2019 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. The Plan has an excess coverage liability policy in effect with a maximum amount and loss limit per individual.

The Plan has published its own financial report for the year ended June 30, 2019, which can be obtained from Genesee Valley BOCES, 80 Munson Street, LeRoy, New York 14482.

### **Workers' Compensation**

The District participates in the Wyoming County Workers' Compensation Self-Insurance Plan (the Plan) sponsored by Wyoming County (the County). The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 32 governmental entities as of December 31, 2019 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan's financial report for the year ended December 31, 2019 is included in the County's financial statements, which can be obtained from Wyoming County, 143 North Main Street, 3<sup>rd</sup> Floor, Warsaw, New York 14569.

## **10. Commitments and Contingencies**

### **Grants**

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and are subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

### **Construction Commitments**

The District has entered into contracts with various construction companies for the 2018 Capital Improvements Project. District voters approved spending up to \$2,750,000 for the project. To date \$1,404,000 has been spent.

## **11. Subsequent Event**

In July 2020, the District issued \$1,150,000 of bond anticipation notes (BANs) that carry interest at 1.5% and mature in July 2021.

## **12. Risks and Uncertainties**

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and all schools, resulting in a severe disruption of operations for organizations. The extent of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on school districts, its residents, employees, and vendors, none of which can be predicted.

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Position**  
**New York State Teachers' Retirement System**

As of the measurement date of June 30,	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.007147%	0.007051%	0.007043%	0.007483%	0.007976%	0.008272%	0.008240%
District's proportionate share of the net pension asset (liability)	\$ 185,677	\$ 127,494	\$ 53,535	\$ (80,148)	\$ 828,459	\$ 921,475	\$ 54,240
District's covered payroll	\$ 1,192,936	\$ 1,148,169	\$ 1,116,118	\$ 1,154,736	\$ 1,218,970	\$ 1,238,413	\$ 1,226,198
District's proportionate share of the net pension position as a percentage of its covered payroll	15.56%	11.10%	4.80%	6.94%	67.96%	74.41%	4.42%
Plan fiduciary net position as a percentage of the total pension liability	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%
The following is a summary of changes of assumptions:							
Inflation	2.2%	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information  
Schedule of District Contributions  
New York State Teachers' Retirement System**

June 30,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	107,643	\$ 126,690	\$ 112,550	\$ 130,809	\$ 153,118	\$ 210,029	\$ 198,565	\$ 142,908
Contribution in relation to the contractually required contribution	(107,643)	(126,690)	(112,550)	(130,809)	(153,118)	(210,029)	(198,565)	(142,908)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,214,932	\$ 1,192,936	\$ 1,148,469	\$ 1,116,118	\$ 1,154,736	\$ 1,218,970	\$ 1,238,413	\$ 1,226,198
Contributions as a percentage of covered payroll	8.86%	10.62%	9.80%	11.72%	13.26%	17.23%	16.03%	11.65%

*Data prior to 2013 is unavailable.*



WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Position  
New York State and Local Employees' Retirement System**

As of the measurement date of March 31,	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0013816%	0.0013892%	0.0014030%	0.0012372%	0.0013064%	0.0011684%
District's proportionate share of the net pension liability	(365,854) \$	(98,427) \$	(45,280) \$	(116,249) \$	(209,685) \$	(39,473)
District's covered payroll	429,916 \$	419,260 \$	377,761 \$	347,249 \$	325,607 \$	320,018
District's proportionate share of the net pension position as a percentage of its covered payroll	85.10%	23.48%	11.99%	33.48%	64.40%	12.33%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
The following is a summary of changes of assumptions:						
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

*Data prior to 2015 is unavailable.*

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information  
Schedule of District Contributions  
New York State and Local Employees' Retirement System**

June 30,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 56,750	\$ 55,572	\$ 52,375	\$ 51,184	\$ 54,155	\$ 53,955	\$ 73,544	\$ 87,607
Contribution in relation to the contractually required contribution	(56,750)	(55,572)	(52,375)	(51,184)	(54,155)	(53,955)	(73,544)	(87,607)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 429,916	\$ 419,260	\$ 377,761	\$ 347,249	\$ 325,607	\$ 320,018	\$ 361,748	\$ 411,596
Contributions as a percentage of covered payroll	13.20%	13.25%	13.86%	14.74%	16.63%	16.86%	20.33%	21.28%

*Data prior to 2013 is unavailable.*

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information  
Schedule of Changes in the District's  
Total OPEB Liability and Related Ratios**

June 30,	2020	2019	2018
Total OPEB liability - beginning	\$ 1,513,281	\$ 1,252,306	\$ 1,191,861
Changes for the year:			
Service cost	30,090	24,673	22,924
Interest	50,485	44,972	45,016
Changes of benefit terms	(160,942)	(3,089)	-
Differences between expected and actual experience	(104,532)	217,747	8,492
Changes of assumptions or other inputs	17,463	7,878	14,164
Benefit payments	(75,772)	(31,206)	(30,151)
Net change in total OPEB liability	(243,208)	260,975	60,445
Total OPEB liability - ending	\$ 1,270,073	\$ 1,513,281	\$ 1,252,306
Covered-employee payroll	\$ 2,062,923	\$ 1,995,862	\$ 1,995,862
Total OPEB liability as a percentage of covered-employee payroll	61.57%	75.82%	62.75%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes of benefit terms include clarification of plan provisions for certain contracts in 2020, reducing the District's contribution from 100% to 80% for certain employee groups.

Differences between expected and actual experience include the impact of the repeal of the Affordable Care Act's excise "Cadillac" taxes as part of the Further Consolidated Appropriations Act of 2020. The increase in 2019 was due to changes in healthcare trends and inclusion of the Cadillac taxes.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	5.20%-4.18%	6.20%-4.23%	5.30%-4.17%
Inflation	2.22%	2.37%	2.31%
Salary increases	3.22%	3.36%	3.31%
Discount rate	2.48%	3.44%	3.61%
Society of Actuaries' mortality scale	MP-2019	MP-2018	MP-2017

*Data prior to 2018 is unavailable.*

**Supplementary Information**  
**Schedule of Change from Original to Final Budget and**  
**Calculation of Unrestricted Fund Balance Limit - General Fund**

For the year ended June 30, 2020

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Original expenditure budget	\$ 5,397,996
Encumbrances carried over from prior year	10,916
Budget amendment: use of capital reserve	<u>850,000</u>
Revised expenditure budget	<u>\$ 6,258,912</u>

\* \* \*

Unrestricted Fund Balance

Assigned	\$ 488,187
Unassigned	<u>686,288</u>
	1,174,475
Encumbrances included in assigned fund balance	(33,187)
Appropriated fund balance used for tax levy	<u>(455,000)</u>
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	<u>\$ 686,288</u>

§1318 of Real Property Tax Law - unrestricted fund balance limit calculation

2021 expenditure budget (unaudited)	\$ 5,740,773
4% of budget	<u>229,631</u>
Actual percentage of 2021 expenditure budget	<u>12.0%</u>

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**Supplementary Information**  
**Schedule of Capital Project Expenditures**

June 30, 2020

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Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
2018 Capital Improvements Project	\$ 2,750,000	\$ 2,750,000	\$ 167,420	\$ 1,237,010	\$ 1,404,430	\$ 1,345,570
2019-2020 Capital Outlay Project	100,000	89,457	-	89,457	89,457	-
Smart School Bonds Act	110,153	110,153	-	70,826	70,826	39,327
	<u>\$ 2,960,153</u>	<u>\$ 2,949,610</u>	<u>\$ 167,420</u>	<u>\$ 1,397,293</u>	<u>\$ 1,564,713</u>	<u>\$ 1,384,897</u>

**INDEPENDENT AUDITORS' 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***

The Board of Education  
Wyoming 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 remaining fund information of Wyoming Central School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 8, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**UPDATE**

As reported in prior years, due to the small size of the business office, a proper segregation of duties is not possible. We understand that the Superintendent and a second employee in the business office provides some assistance in duty segregation.

Since it is difficult to achieve an ideal segregation of duties, we continue to stress the importance of monitoring transactions and controls by the Board of Education.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

A handwritten signature in blue ink that reads "Lumsden & McCormick, LLP". The signature is written in a cursive, flowing style.

October 8, 2020