

**GREENE  
CENTRAL SCHOOL DISTRICT**

**Greene, New York**

**FINANCIAL REPORT**

**For the Year Ended  
June 30, 2021**



# ***GREENE CENTRAL SCHOOL DISTRICT***

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Greene Central School District  
Greene, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene Central School District (the 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.

### **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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 School 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 School 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 School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

During the year ended June 30, 2021, the District adopted Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." As discussed in Note 16 to the financial statements, net position as of June 30, 2020 for the governmental funds and fiduciary activities were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison information; the Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability; Schedule of Changes in the School District's Total OPEB Liability and Related Ratios; and related notes on pages 4-4i and 46-55 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 School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Balance Sheet - Non-Major Governmental Funds; and Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information) on pages 56-60 is presented for purposes of additional analysis 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 financial statements.

The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information and the Schedule of Expenditures of Federal Awards are 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 6, 2021 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 6, 2021

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021**

The following is a discussion and analysis of the financial performance of Greene Central School District (the School District) for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- Total revenues exceeded expenses by \$1,396,913 in 2021, compared to revenues exceeding expenses by \$1,014,593 in 2020.
- The School District ended the year with a total net position of \$25,463,694, an increase of \$1,396,913 from the prior year. The year-end net position was composed of \$6,978,623 in restricted, \$28,231,133 in net investment in capital assets, and \$9,746,062 in unrestricted deficit. The unrestricted deficit increased \$49,595 compared to prior year. Unrestricted deficit at June 30, 2021 is primarily attributable to the net OPEB liability of \$11,607,970.
- General Fund budgeted expenditures were underspent by \$2,308,105, while actual revenues were less than budgeted amounts by \$1,083,412.
- The School District invested \$5,818,739 in net capital assets, and incurred depreciation expense of \$2,428,348, ending the year with an increase in net capital assets of \$3,365,710.
- The School District's total debt obligations increased \$2,014,074 as a result of the issuance of new Bond Anticipation Notes offset by the repayment of debt.
- The unassigned fund balance in the General Fund showed an increase from \$1,111,788 to \$2,258,945. Total General Fund fund balance, including reserves, was \$7,284,158 at June 30, 2021, compared to \$7,650,265 at June 30, 2020.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: MD&A (this section), the basic financial statements, and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year, a Schedule of Changes in the School District's total OPEB Liability and Related Ratios related to the School District's unfunded actuarially determined liability for postemployment benefits, and Schedules of School District Contributions and Proportionate Share of Net Pension Asset/Liability.

### **District-Wide Financial Statements**

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide financial statements report the School District's net position and how it has changed. Net Position (the difference between the School District's assets, and deferred outflows of resources, and the School District's liabilities and deferred inflows of resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the School District's activities are shown as Governmental Activities. Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

### **Governmental Fund Financial Statements**

The Governmental Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds, not on the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The School District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Fund financial statements explains the relationship (or differences) between them.



# GREENE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities Funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's combined net position for the fiscal year ended June 30, 2021 increased by \$1,396,913. Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

*Figure 1*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
<i>Current Assets</i>	\$ 9,043,668	\$ 3,656,291	\$ 5,387,377
<i>Noncurrent Assets</i>	4,764,142	9,096,659	(4,332,517)
<i>Capital Assets, Net</i>	49,422,966	46,057,256	3,365,710
<b><i>Total Assets</i></b>	<b>63,230,776</b>	<b>58,810,206</b>	<b>4,420,570</b>
<i>Pensions</i>	5,451,997	4,815,845	636,152
<i>Other Postemployment Benefits</i>	764,062	858,420	(94,358)
<b><i>Total Deferred Outflows of Resources</i></b>	<b>6,216,059</b>	<b>5,674,265</b>	<b>541,794</b>
<i>Current Liabilities</i>	12,652,447	6,884,814	5,767,633
<i>Noncurrent Liabilities</i>	28,567,210	31,722,701	(3,155,491)
<b><i>Total Liabilities</i></b>	<b>41,219,657</b>	<b>38,607,515</b>	<b>2,612,142</b>
<i>Pensions</i>	2,377,845	1,709,584	668,261
<i>Other Postemployment Benefits</i>	385,639	100,591	285,048
<b><i>Total Deferred Inflows of Resources</i></b>	<b>2,763,484</b>	<b>1,810,175</b>	<b>953,309</b>
<i>Net Investment in Capital Assets</i>	28,231,133	25,565,143	2,665,990
<i>Restricted</i>	6,978,623	8,198,105	(1,219,482)
<i>Unrestricted (Deficit)</i>	(9,746,062)	(9,696,467)	(49,595)
<b><i>Total Net Position</i></b>	<b>\$25,463,694</b>	<b>\$24,066,781</b>	<b>\$ 1,396,913</b>

Total assets increased by 7.5% due to an increase in current and capital assets, offset by a reduction of noncurrent assets. Current assets increased from increases in unrestricted cash. Noncurrent assets decreased largely due to a decrease in the TRS net pension asset as well as restricted cash. Capital assets increased as a result of capital outlay exceeding depreciation expense.

The change in deferred outflows and deferred inflows of resources is the result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the other postemployment benefits (OPEB) plan.

# GREENE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Total liabilities increased by 6.7%. Current liabilities largely increased mainly as a result of a new BAN issuance in the current year. Noncurrent liabilities decreased due to scheduled payments of long-term debt. Net investment in capital assets increased due to capital outlay and principal payments on debt exceeding depreciation expense. Restricted resources decreased primarily as a result of appropriation of reserves.

Unrestricted (deficit) increased primarily due to changes in the School District's OPEB liability and related items and results of operations. Our analysis in *Figure 2* considers the operations of the School District's activities.

*Figure 2*

<i>Changes in Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
<i>REVENUES</i>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 168,660	\$ 306,808	\$ (138,148)
<i>Operating Grants</i>	2,647,101	1,873,164	773,937
<i>Capital Grants</i>	-	769,974	(769,974)
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	6,133,925	5,987,857	146,068
<i>Real Property Tax Items</i>	1,071,441	1,136,103	(64,662)
<i>State Sources</i>	18,904,172	18,732,770	171,402
<i>Use of Money and Property</i>	71,759	155,204	(83,445)
<i>Other General Revenues</i>	412,872	492,148	(79,276)
<b><i>Total Revenues</i></b>	<b>\$ 29,409,930</b>	<b>\$ 29,454,028</b>	<b>\$ (44,098)</b>
<i>PROGRAM EXPENSES</i>			
<i>General Support</i>	4,866,723	4,809,620	57,103
<i>Instruction</i>	19,805,000	20,257,302	(452,302)
<i>Pupil Transportation</i>	1,667,955	1,754,172	(86,217)
<i>Community Service</i>	4,417	12,377	(7,960)
<i>School Lunch Program</i>	849,958	699,180	150,778
<i>Interest on Debt</i>	818,964	906,784	(87,820)
<b><i>Total Expenses</i></b>	<b>\$ 28,013,017</b>	<b>\$ 28,439,435</b>	<b>\$ (426,418)</b>
<b><i>INCREASE IN NET POSITION</i></b>	<b>\$ 1,396,913</b>	<b>\$ 1,014,593</b>	<b>\$ 382,320</b>

Total revenues for the School District's Governmental Activities decreased 0.15% and total expenses decreased by 1.5%. The decrease in revenue compared to the prior year was primarily a result of decreases in capital grants offset by increases in various operating grants, including \$339,552 of CARES Act funding. Capital grants were down due to grants received in the prior year that did not recur in the current year.

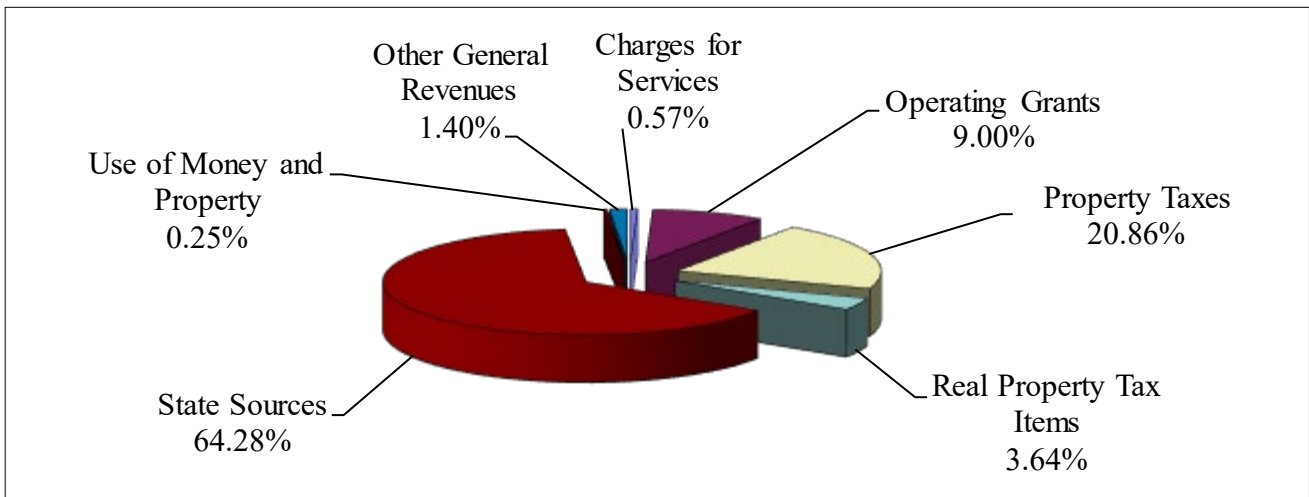
# GREENE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

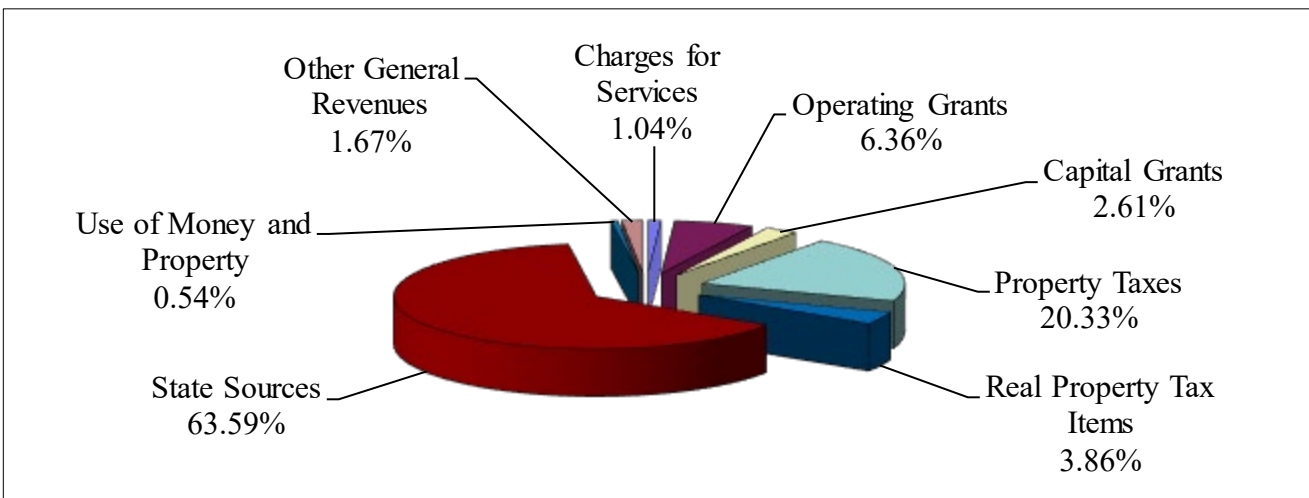
The decrease in total expenses is primarily due to decreased instruction costs due to COVID-19.

Figures 3 and 4 show the sources of revenue for 2021 and 2020.

**Figure 3**  
**Sources of Revenue for 2021**



**Figure 4**  
**Sources of Revenue for 2020**

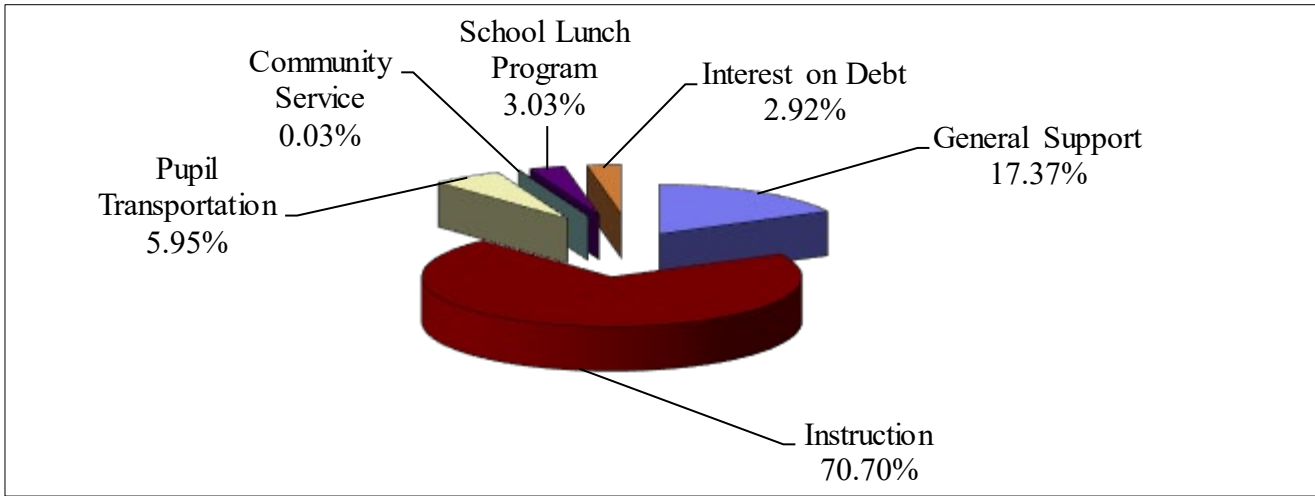


# GREENE CENTRAL SCHOOL DISTRICT

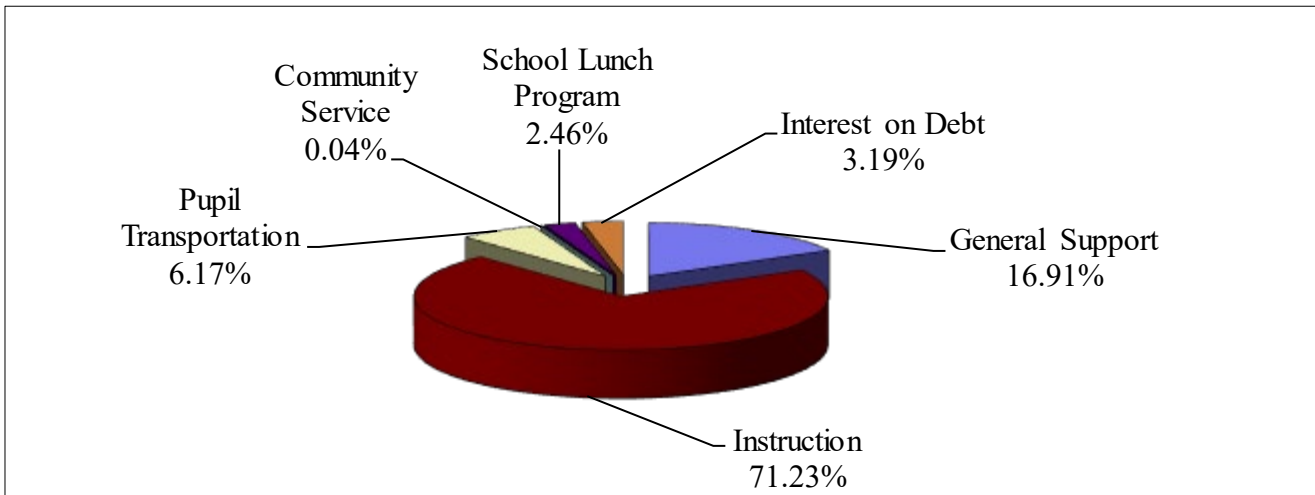
## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figures 5 and 6 present the cost of each of the School District's programs for 2021 and 2020.

**Figure 5**  
**Cost of Programs for 2021**



**Figure 6**  
**Cost of Programs for 2020**



# GREENE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the change in fund balances for the year for the School District's funds. The General Fund reported an unassigned fund balance of \$2,258,945 which is greater than 4% of next year's budget, the maximum allowed by New York State. The Capital Projects Fund showed a decrease in fund balance due to the issuance of Bond Anticipation Notes. The deficit will be eliminated upon the elimination of short-term financing.

Figure 7

<b>Governmental Fund Balances</b>	<b>2021</b>	<b>2020</b>	<b>Total Dollar Change 2020-2021</b>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 7,284,158	\$ 7,650,265	\$ (366,107)
<i>Debt Service Fund</i>	2,010,356	1,987,754	22,602
<i>Capital Projects Fund</i>	(5,805,672)	(2,164,456)	(3,641,216)
<i>Non-Major Funds:</i>			
<i>School Lunch Fund</i>	243,017	17,659	225,358
<i>Miscellaneous Special Revenue Fund</i>	219,999	245,074	(25,075)
<b>Total Governmental Funds</b>	<b>\$ 3,951,858</b>	<b>\$ 7,736,296</b>	<b>\$ (3,784,438)</b>

### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Superintendent approves budgetary transfers that revise the School District budget line items and the Board reviews the transfers. Typically, these budget amendments consist of budget transfers between functions, which do not increase the overall budget.

The School District received \$1,083,412 less in General Fund revenues and other financing sources than was budgeted. Expenditures and other financing uses were lower than the revised budget (with carryover encumbrances) by \$2,308,105. This is primarily due to lower than expected costs related to instructional programs and employee benefit expenditures.

# GREENE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

**Figure 8**

<i>Condensed Budgetary Comparison General Fund - 2021</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
<b>REVENUES</b>				
<i>Real Property Taxes</i>	\$ 6,060,795	\$ 6,060,795	\$ 6,133,925	\$ 73,130
<i>Other Tax Items</i>	1,374,000	1,374,000	1,071,441	(302,559)
<i>State Sources</i>	18,898,828	18,898,828	18,904,172	5,344
<i>Other, Including Financing Sources</i>	1,435,408	1,888,580	1,029,253	(859,327)
<b><i>Total Revenues and Other Financing Sources</i></b>	<b>\$ 27,769,031</b>	<b>\$ 28,222,203</b>	<b>\$ 27,138,791</b>	<b>\$ (1,083,412)</b>
<b><i>Appropriated Fund Balances</i></b>	<b>\$ 60,000</b>	<b>\$ 1,592,394</b>		
<b>EXPENDITURES</b>				
<i>General Support</i>	\$ 3,945,639	\$ 4,033,782	\$ 3,755,486	\$ 278,296
<i>Instruction</i>	11,914,099	12,192,517	10,925,878	1,266,639
<i>Pupil Transportation</i>	1,268,757	1,268,757	1,049,693	219,064
<i>Community Services</i>	13,750	13,750	3,364	10,386
<i>Employee Benefits</i>	6,592,637	6,461,642	5,955,616	506,026
<i>Debt Service</i>	4,074,149	4,074,149	4,066,455	7,694
<i>Other Financing Uses</i>	20,000	1,770,000	1,750,000	20,000
<b><i>Total Expenditures and Other Financing (Uses)</i></b>	<b>\$ 27,829,031</b>	<b>\$ 29,814,597</b>	<b>\$ 27,506,492</b>	<b>\$ 2,308,105</b>

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of June 30, 2021, the School District had invested in a broad range of capital assets. Net capital assets increased, primarily due to capital outlay exceeding depreciation expense. Depreciation expense amounted to \$2,428,348 for the current year.

**Figure 9**

<i>Changes in Capital Assets</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
<i>Land</i>	\$ 100,000	\$ 100,000	\$ -
<i>Construction in Progress</i>	6,689,294	1,335,058	5,354,236
<i>Buildings, Net</i>	39,839,672	41,559,966	(1,720,294)
<i>Improvements, Net</i>	1,562,508	1,710,933	(148,425)
<i>Furniture and Equipment, Net</i>	1,231,492	1,351,299	(119,807)
<b><i>Total</i></b>	<b>\$49,422,966</b>	<b>\$46,057,256</b>	<b>\$ 3,365,710</b>

# GREENE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Capital asset activity for the year ended June 30, 2021 included the following:

Construction in Progress	\$ 5,354,236
Buses	398,658
Furniture and Equipment	65,845
Total Additions	5,818,739
Less Net Book Value of Disposed Assets	(24,681)
Less Depreciation Expense	(2,428,348)
 <b>Net Increase in Capital Assets</b>	 <b>\$ 3,365,710</b>

### Debt Administration

Long-term debt considered a liability of Governmental Activities, increased by \$2,014,074 in 2021, as shown in *Figure 10*. The increase is related to the issuance of new BANs in the current year, partially offset by regular principal payments on long-term debt in accordance with bond amortization schedules. Total indebtedness represented 50.0% of the constitutional debt limit, exclusive of building aid estimates.

*Figure 10*

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
<i>Serial Bonds</i>	\$ 16,565,525	\$ 19,541,695	\$ (2,976,170)
<i>Bond Anticipation Notes</i>	5,940,662	950,418	4,990,244
<b><i>Total</i></b>	<b>\$ 22,506,187</b>	<b>\$ 20,492,113</b>	<b>\$ 2,014,074</b>

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021**

### **FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

Greene Central School District is located in a small, rural community and considered a high needs district, as evidenced by our free and reduced lunch student participation of 50%+. We began the 2020-21 school year in the midst of a national pandemic, our NYS Governor was calling for an immediate 20% reduction in aid to all school districts and the financial & economic outlook for the next few years was quite discouraging. Fast forward ahead 6-months; the Federal Government proposes three stimulus packages, the NYS budget has been stabilized and all economic indicators point to a recovery despite the pandemic moving past the 18-month timeframe. Our financial outlook for the next several years has improved significantly as a result of these federal funding programs, extending Greene \$3.7M of support at a minimum for the next 3-years.

The challenge for the Greene Central School District will be to put in place a long-term financial plan that is sustainable and appropriately supports our long-term strategic plan & strategies, allocates the new federal resources to best support educational/career opportunities and invests in programs that meet our district goals & objectives. We certainly feel we are in a much better place financially.

With this in mind, the School District will continue to be fiscally prudent, continue to explore operating efficiencies that generate cost savings and be mindful of all spending habits.

### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Greene Central 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, Greene Central School District, 40 South Canal Street, Greene, New York 13778.



# GREENE CENTRAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2021

### ASSETS

#### Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 3,916,220
Cash and Cash Equivalents - Restricted	3,366,674
Due from State and Federal Governments	934,756
Due from Other Governments	803,015
Other Receivables	17,835
Inventories	5,168
<b>Total Current Assets</b>	<b>9,043,668</b>

#### Noncurrent Assets

Restricted Cash	4,764,142
Capital Assets, Net:	
Land and Construction in Progress, Nondepreciable	6,789,294
Depreciable Capital Assets, Net	42,633,672
<b>Total Noncurrent Assets</b>	<b>54,187,108</b>
<b>Total Assets</b>	<b>63,230,776</b>

### DEFERRED OUTFLOWS OF RESOURCES

Pensions	5,451,997
OPEB	764,062
<b>Total Deferred Outflows of Resources</b>	<b>6,216,059</b>

### LIABILITIES

#### Current Liabilities

Accounts Payable	1,216,613
Accrued Liabilities	724,829
Due to Other Governments	509,651
Accrued Interest Payable	77,694
Retainage Payable	57,631
Bond Anticipation Notes Payable	5,940,662
Unearned Revenues - Other	612,253
Due to Teachers' Retirement System	775,915
Due to Employees' Retirement System	76,029
Current Portion of Long-Term Obligations	
Bonds Payable	2,661,170
<b>Total Current Liabilities</b>	<b>12,652,447</b>

*See Notes to Basic Financial Statements*

# GREENE CENTRAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION (Continued)

JUNE 30, 2021

### Noncurrent Liabilities

Bonds Payable	\$ 13,904,355
Compensated Absences	<u>1,460,855</u>
Other Postemployment Benefits Liability	<u>11,986,393</u>
Net Pension Liability - Proportionate Share	<u>1,215,607</u>
<b>Total Noncurrent Liabilities</b>	<u><u>28,567,210</u></u>

### Total Liabilities

41,219,657

### DEFERRED INFLOWS OF RESOURCES

Pensions	<u>2,377,845</u>
OPEB	<u>385,639</u>

### Total Deferred Inflows of Resources

2,763,484

### NET POSITION

Net Investment in Capital Assets	<u>28,231,133</u>
Restricted	<u>6,978,623</u>
Unrestricted (Deficit)	<u>(9,746,062)</u>

### Total Net Position

\$ 25,463,694

*See Notes to Basic Financial Statements*

# GREENE 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	Capital Grants	
General Support	\$ 4,866,723	\$ -	\$ -	\$ -	\$ (4,866,723)
Instruction	19,805,000	152,390	1,681,176	-	(17,971,434)
Pupil Transportation	1,667,955	-	-	-	(1,667,955)
Community Services	4,417	-	-	-	(4,417)
School Lunch Program	849,958	16,270	965,925	-	132,237
Interest on Debt	818,964	-	-	-	(818,964)
<b>Total Functions and Programs</b>	<b>\$ 28,013,017</b>	<b>\$ 168,660</b>	<b>\$ 2,647,101</b>	<b>\$ -</b>	<b>(25,197,256)</b>

### GENERAL REVENUES

Real Property Taxes	6,133,925
Real Property Tax Items	1,071,441
Use of Money and Property	71,759
State Sources	18,904,172
Sale of Property and Compensation for Loss	31,169
Miscellaneous	381,703
<b>Total General Revenues</b>	<b>26,594,169</b>
Change in Net Position	1,396,913
Total Net Position - Beginning of Year	24,066,781
<b>Total Net Position - End of Year</b>	<b>\$ 25,463,694</b>

*See Notes to Basic Financial Statements*

# GREENE CENTRAL SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

	Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>ASSETS</b>					
Cash and Cash Equivalents - Unrestricted	\$ 3,831,550	\$ -	\$ -	\$ 84,670	\$ 3,916,220
Cash and Cash Equivalents - Restricted	6,084,435	405,992	1,344,702	295,687	8,130,816
Due from Other Funds	590,352	1,604,364	-	262,098	2,456,814
Due from State and Federal Governments	406,317	-	35,004	493,435	934,756
Due from Other Governments	803,015	-	-	-	803,015
Other Receivables, Net	17,835	-	-	-	17,835
Inventories	-	-	-	5,168	5,168
<b>Total Assets</b>	<b>\$ 11,733,504</b>	<b>\$ 2,010,356</b>	<b>\$ 1,379,706</b>	<b>\$ 1,141,058</b>	<b>\$ 16,264,624</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,186,109	\$ -	\$ -	\$ 30,504	\$ 1,216,613
Accrued Liabilities	689,764	-	-	35,065	724,829
Due to Other Funds	1,212,098	-	1,244,716	-	2,456,814
Due to Other Governments	509,431	-	-	220	509,651
Bond Anticipation Notes Payable	-	-	5,940,662	-	5,940,662
Unearned Revenues	-	-	-	612,253	612,253
Due to Teachers' Retirement System	775,915	-	-	-	775,915
Due to Employees' Retirement System	76,029	-	-	-	76,029
<b>Total Liabilities</b>	<b>4,449,346</b>	<b>-</b>	<b>7,185,378</b>	<b>678,042</b>	<b>12,312,766</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	5,168	5,168
Restricted	4,510,419	2,010,356	-	457,848	6,978,623
Assigned	514,794	-	-	-	514,794
Unassigned	2,258,945	-	(5,805,672)	-	(3,546,727)
<b>Total Fund Balances (Deficit)</b>	<b>7,284,158</b>	<b>2,010,356</b>	<b>(5,805,672)</b>	<b>463,016</b>	<b>3,951,858</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,733,504</b>	<b>\$ 2,010,356</b>	<b>\$ 1,379,706</b>	<b>\$ 1,141,058</b>	<b>\$ 16,264,624</b>

*See Notes to Basic Financial Statements*

# GREENE CENTRAL SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

<b>Fund Balances - Total Governmental Funds</b>		<b>\$ 3,951,858</b>
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Total Historical Cost	\$ 81,491,401	
Less Accumulated Depreciation	<u>(32,068,435)</u>	49,422,966
The School District's proportion of the collective net pension asset or liability is not reported in the funds.		
TRS Net Pension Liability - Proportionate Share	\$ (1,210,052)	
ERS Net Pension Liability - Proportionate Share	<u>(5,555)</u>	(1,215,607)
Deferred outflows of resources, including OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds.		
Deferred inflows of resources, including OPEB and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
Other Postemployment Benefits Deferred Outflows of Resources	\$ 764,062	
Other Postemployment Benefits Deferred Inflows of Resources	(385,639)	
ERS Deferred Outflows of Resources - Pension	1,247,334	
ERS Deferred Inflows of Resources - Pension	(1,664,778)	
TRS Deferred Outflows of Resources - Pension	4,204,663	
TRS Deferred Inflows of Resources - Pension	<u>(713,067)</u>	3,452,575
Long-term liabilities, including bonds payable and bond premium, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	\$ (15,700,000)	
Unamortized Premium	<u>(865,525)</u>	(16,565,525)
Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.		
Accrued Interest Payable	\$ (77,694)	
Retainage Payable	(57,631)	
Compensated Absences	(1,460,855)	
Other Postemployment Benefits Liability	<u>(11,986,393)</u>	<u>(13,582,573)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 25,463,694</u></b>

*See Notes to Basic Financial Statements*

# GREENE CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>REVENUES</b>					
Real Property Taxes	\$ 6,133,925	\$ -	\$ -	\$ -	\$ 6,133,925
Real Property Tax Items	1,071,441	-	-	-	1,071,441
Charges for Services	3,503	-	-	-	3,503
Use of Money and Property	66,116	5,252	-	391	71,759
Sale of Property and Compensation for Loss	55,850	-	-	-	55,850
Miscellaneous	381,703	-	-	27,825	409,528
State Sources	18,904,172	-	-	541,166	19,445,338
Medicaid Reimbursement	148,887	-	-	-	148,887
Federal Sources	373,194	-	-	1,704,916	2,078,110
Sales - School Lunch	-	-	-	16,270	16,270
<b>Total Revenues</b>	<b>27,138,791</b>	<b>5,252</b>	<b>-</b>	<b>2,290,568</b>	<b>29,434,611</b>
<b>EXPENDITURES</b>					
General Support	3,755,382	-	-	-	3,755,382
Instruction	10,924,388	-	-	433,905	11,358,293
Pupil Transportation	1,049,693	-	-	-	1,049,693
Community Services	3,364	-	-	-	3,364
Employee Benefits	5,955,616	-	-	1,053,062	7,008,678
Debt Service:					
Principal	3,184,047	-	-	-	3,184,047
Interest	882,408	-	-	-	882,408
Cost of Sales	-	-	-	603,318	603,318
Capital Outlay	-	-	5,695,263	-	5,695,263
<b>Total Expenditures</b>	<b>25,754,898</b>	<b>-</b>	<b>5,695,263</b>	<b>2,090,285</b>	<b>33,540,446</b>
Excess (Deficiency) of Revenues Over Expenditures	1,383,893	5,252	(5,695,263)	200,283	(4,105,835)
<b>OTHER FINANCING SOURCES AND (USES)</b>					
BANs Redeemed from Appropriations	-	-	304,047	-	304,047
Premium on Obligations	-	17,350	-	-	17,350
Operating Transfers In	-	-	1,750,000	-	1,750,000
Operating Transfers (Out)	(1,750,000)	-	-	-	(1,750,000)
<b>Total Other (Uses) Sources</b>	<b>(1,750,000)</b>	<b>17,350</b>	<b>2,054,047</b>	<b>-</b>	<b>321,397</b>
Net Change in Fund Balances	(366,107)	22,602	(3,641,216)	200,283	(3,784,438)
Fund Balances (Deficit) - Beginning of Year	7,650,265	1,987,754	(2,164,456)	262,733	7,736,296
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 7,284,158</b>	<b>\$ 2,010,356</b>	<b>\$ (5,805,672)</b>	<b>\$ 463,016</b>	<b>\$ 3,951,858</b>

*See Notes to Basic Financial Statements*

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021**

**Net Change in Fund Balances - Total Governmental Funds** **\$ (3,784,438)**

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

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and disposals.

Capital Additions	\$ 5,818,739	
Net Book Value of Disposed Assets	(24,681)	
Depreciation Expense	<u>(2,428,348)</u>	3,365,710

Long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt, and the related premiums, increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additionally, certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. These include the change in accrued interest and the amortization of bond premiums.

Amortization of Bond Premium	\$ 96,170	
Change in Accrued Interest Payable	(50,076)	
Change in Retainage Payable	(57,631)	
Principal Payments on Bonds	<u>2,880,000</u>	2,868,463

Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Fund financial statements. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to other postemployment benefits do not affect current financial resources and are, also, not reported in the Governmental Funds.

Other Postemployment Benefits Obligations	\$ (177,321)	
Compensated Absences	<u>(81,723)</u>	(259,044)

Changes in the School District's proportionate share of net pension assets and liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and are, also, not reported in the Governmental Funds.

TRS	\$ (906,666)	
ERS	<u>112,888</u>	<u>(793,778)</u>

**Net Change in Net Position of Governmental Activities** **\$ 1,396,913**

*See Notes to Basic Financial Statements*

***GREENE CENTRAL SCHOOL DISTRICT***

**STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

	<b><u>Custodial Fund</u></b>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	<u>\$ 108,072</u>
<b>Total Assets</b>	<b><u><u>\$ 108,072</u></u></b>
<b>NET POSITION</b>	
Unassigned	<b><u><u>\$ 108,072</u></u></b>

*See Notes to Basic Financial Statements*



***GREENE CENTRAL SCHOOL DISTRICT***

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b><u>Custodial Fund</u></b>
<b>ADDITIONS</b>	
Extraclass Cash Receipts	<u>\$ 34,755</u>
<b>DEDUCTIONS</b>	
Extraclass Cash Disbursements	<u>\$ 60,213</u>
Change in Net Position	(25,458)
Net Position - Beginning of Year	<u>133,530</u>
<b>Net Position - End of Year</b>	<b><u><u>\$ 108,072</u></u></b>

*See Notes to Basic Financial Statements*

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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

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

**Reporting Entity**

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

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 (Board) consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is the School District;
- 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 basic 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

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. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Custodial Fund.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Joint Venture**

The Greene Central School District is a component district in Delaware, Chenango, Madison, Otsego (DCMO) 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 that 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 (GML).

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

Separate financial statement of DCMO BOCES may be obtained by contacting the Business Office, DCMO BOCES, 6678 County Road 32, Norwich, New York, 13815.

#### **Basis of Presentation - District-Wide Financial 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. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the School District at fiscal year-end. 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 specifically associated with and 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 restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Presentation - Governmental Fund Financial Statements**

The Governmental Fund financial 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 Governmental Fund financial statements is on major Governmental Funds, each displayed in a separate column. The following are the District's Governmental Funds.

#### **Major Funds**

- **General Fund:** The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- **Capital Projects Fund:** Accounts for financial resources used for renovation of Greene Central School District buildings.
- **Debt Service Fund:** Accounts for accumulation of resources and payment of principal and interest of long-term general obligation debt of governmental activities.

#### **Non-Major Funds**

- **Special Revenue Funds:** Account for proceeds of specific revenue sources (other than capital projects) legally restricted to expenditures for specified purposes. Special revenue funds include the following:
  - **Special Aid Fund:** Used to account for proceeds received from state and federal grants restricted for special educational programs.
  - **School Lunch Fund:** Used to account for child nutrition activities whose funds are restricted as to use.
  - **Miscellaneous Special Revenue Fund:** Used to account for student scholarships whose funds are restricted as to use.

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.

The School District reports the following Fiduciary Fund:

- **Custodial Fund:** Assets are held by the School District as agent for Extraclassroom Activity Funds.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

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

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, 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 apportioned 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 financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within 90 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, 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.

#### **Cash and Investments**

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 New York State and its municipalities and school districts. Investments are stated at fair value.

#### **Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

### *Note 1* **Summary of Significant Accounting Policies - Continued**

#### **Inventories and Prepaid Items**

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance equal to inventories and prepaid amounts is reported as nonspendable, as these assets are not in spendable form in the current period.

#### **Due To/From Other Funds**

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

#### **Capital Assets**

Capital assets with a historical cost greater than \$3,500 (the dollar value above which assets acquisitions for grouped like assets or individual assets) and a useful life of at least one year are reported at actual cost for acquisition. Donated assets are reported at estimated fair market value at the time received.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<b>Estimated Useful Life</b>
Buildings and Improvements	20 - 30 Years
Furniture, Equipment, and Vehicles	4 - 20 Years

#### **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element 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 School District reports deferred outflows of resources related to pensions and OPEB plans in the District-wide Statement of Net Position. The types of deferred outflows related to pensions and OPEB plans are described in Notes 10 and 11, respectively.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Deferred Outflows and Deferred Inflows of Resources - Continued**

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 10 and 11, respectively.

#### **Vested Employee Benefits - Compensated Absences**

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

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

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

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

#### **Vested Employee Benefits - Other Postemployment Benefits**

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Vested Employee Benefits - Other Postemployment Benefits - Continued**

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 11 for additional information.

#### **Unearned and Unavailable 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 the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded. The Governmental Fund financial statements may also report deferred inflow of resources, if applicable, when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed and revenues are recorded. Unavailable revenues are reported as deferred inflows of resources on the Balance Sheet.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

#### **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 judgements, other postemployment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund's 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 School District's future obligations or future economic outflows. The liabilities are reported as current or noncurrent in the Statement of Net Position.

#### **Equity Classifications - District-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.



# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - District-Wide Financial Statements - Continued**

- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **Equity Classifications - Governmental Fund Financial Statements**

The School District follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which requires classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Fund balances are allocated into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the School District is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.
- Committed: Consists of amounts subject to a purpose constraint imposed by formal action of the School District's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the School District's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

- Unassigned - Represents the residual classification of the School District's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The Board of Education of the School District may adopt resolutions to commit or assign fund balance. By resolution, fund balance of the School District may be committed for a specific source by formal action of the Board of Education. Furthermore, the Board of Education delegates authority to assign fund balance for a specific purpose to the Business Official of the School District. The Board of Education, by resolution, approves fund balance appropriations for next year's budget. The School District applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **Legally Adopted Reserves**

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. Except for the Encumbrance Reserve, these reserve funds are established through board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Reserves currently in use by the School District include the following:

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

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Legally Adopted Reserves - Continued**

- Unemployment Insurance Reserve (GML §6-m) - 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 60 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 funds 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.
- Mandatory Debt Service Reserve (GML §6-l) - Used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.
- Employee Benefit Accrued Liability Reserve (GML §6-p) - Used to reserve funds for the payment of accrued employee benefits 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. This reserve is accounted for in the General Fund.
- Retirement Contribution Reserve (GML §6-r) - Used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund.
- Tax Certiorari Reserve (Education Law §3651.1-a) - Used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 7, 2020. Taxes were collected during the period September 1, 2020 to October 31, 2020.

Uncollected real property taxes are subsequently enforced by Chenango County (the 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 following April 1.

#### **Interfund Transfers**

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

#### **Use of Estimates**

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

#### **Future Changes in Accounting Standards**

GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," which delays the implementation dates for several GASB statements as follows.

- GASB has issued Statement No. 87, "Leases," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending June 30, 2022.

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

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 2 Participation in BOCES**

During the year ended June 30, 2021, the School District's share of BOCES income amounted to \$1,852,948. The School District was billed \$4,709,078, for BOCES administration and program costs. Financial statements for the DCMO BOCES are available from the BOCES administrative office at 6678 County Road 32, Norwich, New York 13815.

**Note 3 Cash and Cash Equivalents and Investments - Custodial and Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District's aggregate bank balances of \$13,432,399, including certificates of deposit, were either insured or collateralized with securities held by the pledging financial institution in the School District's name as required.

Restricted cash and investments at June 30, 2021 consisted of the following:

Restricted for Debt Service	\$ 2,010,356
Restricted for Capital Projects	1,314,354
Restricted for School Lunch	41,964
Restricted for General Fund Reserves	4,510,419
Restricted for Scholarships	<u>253,723</u>
<b>Total</b>	<b><u>\$ 8,130,816</u></b>

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 4 Due From State and Federal/Other Governments**

Due from State and Federal/Other Governments consisted of the following, which are stated at net realizable value.

Description	Amount
BOCES September Aid	\$ 803,015
<b>Total Due From Other Governments</b>	<b>\$ 803,015</b>
Excess Cost	\$ 298,866
CARES Act	107,451
SMART Bond	35,004
Federal Aid - Special Aid Fund	274,239
Universal Prekindergarten	37,498
School Lunch	181,698
<b>Total Due From State and Federal Governments</b>	<b>\$ 934,756</b>

**Note 5 Interfund Balances and Activity**

Interfund balances at June 30, 2021 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 590,352	\$ 1,212,098	\$ -	\$ 1,750,000
Capital Projects Fund	-	1,244,716	1,750,000	-
Debt Service Fund	1,604,364	-	-	-
Non-Major Funds	262,098	-	-	-
<b>Total</b>	<b>\$ 2,456,814</b>	<b>\$ 2,456,814</b>	<b>\$ 1,750,000</b>	<b>\$ 1,750,000</b>

Interfund receivables and payables are eliminated on the Statement of Net Position.

The School District also transfers funds from the Capital Reserve in the General Fund to Capital Projects Funds, as needed, to fund capital projects. The School District transfers funds as needed to subsidize the School Lunch Fund.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 6 Capital Assets**

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Construction in Progress	1,335,058	5,354,236	-	6,689,294
Total Nondepreciable Historical Cost	<u>1,435,058</u>	<u>5,354,236</u>	<u>-</u>	<u>6,789,294</u>
Capital Assets That Are Depreciated:				
Buildings	66,311,701	-	-	66,311,701
Improvements	3,031,059	-	-	3,031,059
Furniture and Equipment	5,161,472	464,503	(266,628)	5,359,347
Total Depreciable Historical Cost	<u>74,504,232</u>	<u>464,503</u>	<u>(266,628)</u>	<u>74,702,107</u>
Total Historical Cost	<u>75,939,290</u>	<u>5,818,739</u>	<u>(266,628)</u>	<u>81,491,401</u>
Less Accumulated Depreciation:				
Buildings	(24,751,735)	(1,720,294)	-	(26,472,029)
Improvements	(1,320,126)	(148,425)	-	(1,468,551)
Furniture and Equipment	(3,810,173)	(559,629)	241,947	(4,127,855)
Total Accumulated Depreciation	<u>(29,882,034)</u>	<u>(2,428,348)</u>	<u>241,947</u>	<u>(32,068,435)</u>
<b>Total Historical Cost, Net</b>	<u><b>\$ 46,057,256</b></u>	<u><b>\$ 3,390,391</b></u>	<u><b>\$ (24,681)</b></u>	<u><b>\$ 49,422,966</b></u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 485,670
Instruction	1,699,844
Pupil Transportation	169,984
School Lunch Program	<u>72,850</u>
<b>Total</b>	<u><b>\$ 2,428,348</b></u>

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 7 Short-Term Debt**

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. No RANs and TANs were issued or redeemed during the year.

The School District may issue bond anticipation notes (BANs) in anticipation of proceeds from the subsequent sale of bonds in order to fund capital projects. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. The School District has issued bonds to fund capital projects. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Changes in short-term debt for the current year are as follows:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>
BAN maturing 6/4/2021 at 2.00%	\$ 950,418	\$ -	\$ (950,418)	\$ -
BAN maturing 7/30/2021 at 1.00%	897,854	5,000,000	-	5,897,854
BAN maturing 6/3/2022 at 2.00%	897,854	940,662	-	1,838,516
<b>Total Short-Term Debt</b>	<b>\$ 950,418</b>	<b>\$5,940,662</b>	<b>\$ (950,418)</b>	<b>\$5,940,662</b>

Interest expense on short-term debt during the year was:

Interest Paid	\$ 16,483
Less Interest Accrued in the Prior Year	(1,320)
Plus Interest Accrued in the Current Year	46,160
Less Amortization of BAN Premium	(17,350)
<b>Total</b>	<b>\$ 43,973</b>

**Note 8 Long-Term Debt**

At June 30, 2021, the total outstanding indebtedness of the School District represented 50.0% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.



# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

**Note 8 Long-Term Debt - Continued**

The following is a summary of the School District's bonds payable for the year ended June 30, 2021:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
<b>Serial Bonds</b>				
2014 Construction Bond	06/26/2014	06/15/2029	2.00% - 3.25%	\$ 1,025,000
DASNY - 2017A	06/08/2017	06/15/2032	3.00% - 5.00%	4,280,000
Refunding - 2017	11/09/2017	06/15/2030	2.00% - 5.00%	<u>10,395,000</u>
Total				15,700,000
Unamortized Premiums				<u>865,525</u>
<b>Total</b>				<b><u><u>\$ 16,565,525</u></u></b>

Interest expense on long-term debt during the year was:

Interest Paid	\$ 865,925
Less Interest Accrued in the Prior Year	(26,298)
Plus Interest Accrued in the Current Year	31,534
Less Amortization of Premiums	<u>(96,170)</u>
<b>Total</b>	<b><u><u>\$ 774,991</u></u></b>

Interest rates on the serial bonds vary from year to year, in accordance with the interest rates specified in the bond agreements.

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	\$ 18,580,000	\$ -	\$ (2,880,000)	\$ 15,700,000	\$ 2,565,000
Unamortized Premiums	961,695	-	(96,170)	865,525	96,170
<b>Total</b>	<b><u><u>\$ 19,541,695</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ (2,976,170)</u></u></b>	<b><u><u>\$ 16,565,525</u></u></b>	<b><u><u>\$ 2,661,170</u></u></b>

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 8 Long-Term Debt - Continued**

The following is a summary of the maturity of long-term indebtedness.

Year	Principal	Interest	Total
2022	\$ 2,565,000	\$ 740,788	\$ 3,305,788
2023	2,670,000	630,688	3,300,688
2024	2,800,000	507,538	3,307,538
2025	2,935,000	371,450	3,306,450
2026	825,000	227,800	1,052,800
2027-2031	3,495,000	579,838	4,074,838
2032	410,000	20,500	430,500
<b>Total</b>	<b>\$ 15,700,000</b>	<b>\$ 3,078,602</b>	<b>\$ 18,778,602</b>

On November 9, 2017 \$10,435,000 in general obligation bonds with variable interest rates ranging from 2.0% to 5.0% were issued to advance refund \$10,830,000 of outstanding bonds, with interest rates ranging from 3.0% to 5.0%. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The outstanding principal on the defeased bonds was \$-0- at June 30, 2021.

**Note 9 Compensated Absences**

Compensated absences represent the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General and School Lunch Funds.

A summary of 2020 - 2021 activity follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Compensated Absences	\$ 1,379,132	\$ 81,723	\$ -	\$ 1,460,855	\$ -

Changes to long-term compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

***Note 10*** **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)**

**Plan Descriptions and Benefits Provided**

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

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability 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 (RSSL). The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, 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 RSSL. 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.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

***Note 10*** **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Plan Descriptions and Benefits Provided - Continued**

**Employees' Retirement System (ERS)**

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer 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. System benefits are established under the provisions of the 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 is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

**Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

# **GREENE CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021**

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Contributions**

The School District is required to contribute at an actuarially determined rate. The School District's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>TRS</u>
<b>2021</b>	<b>\$ 263,132</b>	<b>\$ 670,524</b>
2020	275,582	782,760
2019	270,741	701,283

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

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	4/01/2020	6/30/2019
Net Pension Asset/Liability	\$ 99,573,957	\$ 2,763,270,835
School District's Proportionate Share of the Plan's Total Net Pension Asset/Liability	5,555	1,210,052
School District's Share of the Net Pension Asset/Liability	0.005579%	0.043791%

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

For the year ended June 30, 2021, the School District recognized pension expense of \$156,206 for ERS and \$1,626,406 for TRS in the District-wide financial statements. At June 30, 2021, the School District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 67,844	\$ 1,060,247	\$ -	\$ 62,013
Changes of Assumptions	1,021,428	1,530,434	19,264	545,520
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	790,270	1,595,790	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	82,033	92,360	49,724	105,534
School District's Contributions Subsequent to the Measurement Date	76,029	731,352	-	-
<b>Total</b>	<b>\$1,247,334</b>	<b>\$ 4,204,663</b>	<b>\$ 1,664,778</b>	<b>\$ 713,067</b>

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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 Ending	ERS	TRS
2022	\$ (73,244)	\$ 468,632
2023	(25,717)	948,810
2024	(83,599)	786,454
2025	(310,913)	476,636
2026	-	21,685
Thereafter	-	58,027

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### **Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

#### **Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Interest Rate of Return	5.9%	7.1%
Salary Increases	4.4%	1.9% - 4.72%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan, member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018, applied on a generational basis.

For ERS, 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. For TRS, the actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2019.

For ERS, the long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

# **GREENE CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021**

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Actuarial Assumptions - Continued**

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2021	June 30, 2020
<b>Asset Type</b>		
Domestic Equities	4.05%	7.10%
International Equities	6.30%	7.70%
Global Equities	-	7.40%
Real Estate	4.95%	6.80%
Private Equity/Alternative Investments	6.75%	10.40%
Opportunistic Portfolio	4.50%	-
Real Assets	5.95%	-
Cash	0.50%	-
Credit	3.63%	-
Domestic Fixed Income Securities	-	1.80%
Global Fixed Income Securities	-	1.00%
Private Debt	-	5.20%
Real Estate Debt	-	3.60%
High-Yield Fixed Income Securities	-	3.90%
Short-Term	-	0.70%

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

**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% for ERS and 7.1% for TRS, 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 or 1 percentage point higher than the current rate.



# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued**

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 1,541,918	\$ 5,555	\$ (1,411,330)

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 7,643,479	\$ 1,210,052	\$ (4,189,224)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	Dollars in Thousands	
	ERS March 31, 2021	TRS June 30, 2020
Employers' Total Pension Asset/Liability	\$ 220,680,157	\$ 123,242,776
Plan Net Position	(220,580,583)	(120,479,505)
Employers' Net Pension Asset/Liability	\$ 99,574	\$ 2,763,271
Ratio of Plan Net Position to the Employers' Total Pension Asset/Liability	99.9%	97.8%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employer contributions are remitted monthly. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$76,029.

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Payables to the Pension Plan - Continued**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions and employee contributions as of June 30, 2021 amounted to \$775,915.

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>ERS</b>			
Net Pension Liability	\$ 1,597,566	\$ (1,592,011)	\$ 5,555
Deferred Outflows of Resources	(1,102,004)	(145,330)	(1,247,334)
Deferred Inflows of Resources	40,325	1,624,453	1,664,778
Subtotal	535,887	(112,888)	422,999
<b>TRS</b>			
Net Pension Asset/Liability	(1,143,628)	2,353,680	1,210,052
Deferred Outflows of Resources	(3,713,841)	(490,822)	(4,204,663)
Deferred Inflows of Resources	1,669,259	(956,192)	713,067
Subtotal	(3,188,210)	906,666	(2,281,544)
<b>Total</b>	<b>\$ (2,652,323)</b>	<b>\$ 793,778</b>	<b>\$ (1,858,545)</b>

**Note 11 Postemployment Benefits Other Than Pensions (OPEB)**

**General Information about the OPEB Plan**

The Plan is a single-employer, defined benefit healthcare plan administered by the School District. The Plan provides medical and dental benefits to eligible retirees and their spouses. Benefit provisions are established through negotiations between the School District and bargaining units and are renegotiated each three-year period. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a stand-alone financial report, as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

### *Note 11* Postemployment Benefits Other Than Pensions (OPEB) - Continued

#### General Information about the OPEB Plan - Continued

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	37
Active Employees	<u>183</u>
<b>Total</b>	<b><u>220</u></b>

#### Total OPEB Liability

The School District's total OPEB liability of \$11,986,393 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	2.16%
Single Discount Rate	2.16%
Salary Scale	2.60%
Rate of Inflation	2.60%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	5.30% for 2020, decreasing to an ultimate rate of 4.1% in 55 years

The S&P Municipal Bond 20 Year High Grade Rate was used to determine the long-term bond rate above.

# **GREENE CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**Changes in the Total OPEB Liability**

Mortality rates were based on the Scale MP-2016 (generation mortality) published by the pension mortality study released by the Society of Actuaries.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death, or retirement.

Retirement rates are based on tables used by the New York State Teachers' Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2020 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

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

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2020</b>	<u>\$ 12,188,478</u>
<b>Changes for the Year:</b>	
Service Cost	550,675
Interest Cost	273,408
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(349,957)
Changes in Assumptions or Other Inputs	63,302
Benefit Payments	<u>(739,513)</u>
Net Change	<u>(202,085)</u>
<b>Balance at June 30, 2021</b>	<u><u>\$ 11,986,393</u></u>

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

	<b>1% Decrease (1.16%)</b>	<b>Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
Total OPEB Liability	\$ 12,883,431	\$ 11,986,393	\$ 11,123,046

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**Changes in the Total OPEB Liability - Continued**

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 10,587,830	\$ 11,986,393	\$ 13,629,700

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$916,834.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 235,349	\$ 319,291
Changes in Assumptions or Other Inputs	528,713	66,348
<b>Total</b>	<b><u>\$ 764,062</u></b>	<b><u>\$ 385,639</u></b>

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 92,751
2023	92,751
2024	92,751
2025	92,751
2026	62,200
Thereafter	(54,781)

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### *Note 11* Postemployment Benefits Other Than Pensions (OPEB) - Continued

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

##### Current Year Activity

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
Other Postemployment Benefits Liability	\$ 12,188,478	\$ (202,085)	\$ 11,986,393
Deferred Outflows of Resources	(858,420)	94,358	(764,062)
Deferred Inflows of Resources	100,591	285,048	385,639
<b>Total Effect on Net Position</b>	<b><u>\$ 11,430,649</u></b>	<b><u>\$ 177,321</u></b>	<b><u>\$ 11,607,970</u></b>

### *Note 12* Commitments and Contingencies

#### Risk Financing and Related Insurance

##### General Information

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

##### Workers' Compensation

The School District participates in Workers' Compensation Alliance, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the workers' Compensation Law, to finance liability and risks related workers' compensation claims. The School District's share of the liability for unbilled and open claims is unknown.

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures totaling \$109,238.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021**

### ***Note 12* Commitments and Contingencies - Continued**

#### **Health Insurance**

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by the Broome-Tioga Health Insurance Consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage and to develop a comprehensive loss control program. Plan members include 15 school districts and one BOCES, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

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 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.

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures totaling \$4,270,337.

#### **Other Items**

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.

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

#### **Deficit Net Position**

At June 30, 2021, the District-wide Statement of Net Position had an unrestricted deficit of \$9,746,062. This is a result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 11). The deficit is not expected to be eliminated during the normal course of operations.

#### **Deficit Unassigned Fund Balance**

At June 30, 2021 the Capital Projects Fund had an unassigned fund balance deficit of \$5,805,672. The deficit is expected to be eliminated as the School District finances capital projects with long term debt.

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 14 Fund Balance Detail**

At June 30, 2021, nonspendable, restricted, and assigned fund balance in the governmental funds was as follows:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Non-Major Funds</b>
<b>Nonspendable</b>			
Inventory	\$ -	\$ -	\$ 5,168
<b>Total Nonspendable Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,168</b>
<b>Restricted</b>			
Retirement Contribution Reserve - ERS	\$ 1,155,156	\$ -	\$ -
Retirement Contribution Reserve - TRS	278,653	-	-
Unemployment Insurance Reserve	112,242	-	-
Tax Certiorari Reserve	71,143	-	-
Employee Benefit Accrued Liability Reserve	2,893,225	-	-
School Lunch	-	-	237,849
Scholarships	-	-	219,999
Debt	-	2,010,356	-
<b>Total Restricted Fund Balance</b>	<b>\$ 4,510,419</b>	<b>\$ 2,010,356</b>	<b>\$ 457,848</b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 513,200	\$ -	\$ -
Encumbered for:			
General Government	104	-	-
Instruction	1,490	-	-
<b>Total Assigned Fund Balance</b>	<b>\$ 514,794</b>	<b>\$ -</b>	<b>\$ -</b>



# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

**Note 15 Restricted Fund Balances**

Portions of restricted fund balance are reserved and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. Balances and activity for the year ended June 30, 2021 of the General Fund reserves were as follows:

General	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Unemployment Insurance Reserve	\$ 112,242	\$ -	\$ -	\$ -	\$ 112,242
Retirement Contribution Reserve - ERS	1,132,608	50,000	-	(27,452)	1,155,156
Retirement Contribution Reserve - TRS	130,000	148,653	-	-	278,653
Employee Benefit Accrued Liability Reserve	2,986,889	-	-	(93,664)	2,893,225
Tax Certiorari Reserve	103,538	-	-	(32,395)	71,143
Capital Reserve	1,500,000	-	-	(1,500,000)	-
<b>Total Restricted Fund Balance</b>	<b><u>\$5,965,277</u></b>	<b><u>\$ 198,653</u></b>	<b><u>\$ -</u></b>	<b><u>\$(1,653,511)</u></b>	<b><u>\$ 4,510,419</u></b>

**Note 16 Restatement**

During the year, the District adopted GASB statement No 84. The District's June 30, 2020 net position for governmental activities has been restated to reflect the following:

<b>Net Position Beginning of Year</b>	\$ 23,821,707
GASB Statement No. 84 Implementation	<u>\$ 245,074</u>
<b>Net Position Beginning of Year, as Restated</b>	<b><u>\$ 24,066,781</u></b>

In addition, net position for the Custodial Fund has been restated to reflect the following:

<b>Net Position Beginning of Year</b>	\$ -
GASB Statement No. 84 Implementation	<u>\$ 133,530</u>
<b>Net Position Beginning of Year, as Restated</b>	<b><u>\$ 133,530</u></b>

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
<b>Local Sources</b>				
Real Property Taxes	\$ 6,060,795	\$ 6,060,795	\$ 6,133,925	\$ 73,130
Real Property Tax Items	1,374,000	1,374,000	1,071,441	(302,559)
Charges for Services	-	-	3,503	3,503
Use of Money and Property	120,000	120,000	66,116	(53,884)
Sale of Property and Compensation for Loss	-	-	55,850	55,850
Miscellaneous	210,000	210,000	381,703	171,703
<b>Total Local Sources</b>	<u>7,764,795</u>	<u>7,764,795</u>	<u>7,712,538</u>	<u>(52,257)</u>
State Sources	18,898,828	18,898,828	18,904,172	5,344
Federal Sources	970,408	1,423,580	373,194	(1,050,386)
Medicaid Reimbursement	135,000	135,000	148,887	13,887
<b>Total Revenues</b>	<u>27,769,031</u>	<u>28,222,203</u>	<u>27,138,791</u>	<u>(1,083,412)</u>
Operating Transfers In	-	-	-	-
<b>Total Revenues</b>	<u>27,769,031</u>	<u>28,222,203</u>	<u><b>\$ 27,138,791</b></u>	<u><b>\$ (1,083,412)</b></u>
<b>Appropriated Fund Balance</b>	<u>-</u>	<u>1,532,394</u>		
<b>Designated Fund Balance and Encumbrances Carried Forward from Prior Year</b>	<u>60,000</u>	<u>60,000</u>		
<b>Total Revenues, Appropriated Reserves, and Designated Fund Balance</b>	<u><b>\$ 27,829,031</b></u>	<u><b>\$ 29,814,597</b></u>		

*See Notes to Required Supplementary Information*

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	\$ 13,070	\$ 22,090	\$ 17,345	\$ -	\$ 4,745
Central Administration	234,550	242,130	241,490	-	640
Finance	478,226	496,339	482,540	7	13,792
Staff	86,388	88,273	79,408	-	8,865
Central Services	2,441,128	2,460,279	2,218,784	97	241,398
Special Items	692,277	724,671	715,815	-	8,856
<b>Total General Support</b>	<b>3,945,639</b>	<b>4,033,782</b>	<b>3,755,382</b>	<b>104</b>	<b>278,296</b>
<b>Instruction</b>					
Instruction, Administration and Improvement	631,496	658,860	641,777	19	17,064
Teaching - Regular School Programs for Children with Handicapping Conditions	6,291,652	6,253,896	5,567,861	1,431	684,604
Occupational Education	3,071,674	3,225,674	2,872,978	40	352,656
Teaching - Special School	660,040	660,040	656,375	-	3,665
Instructional Media	55,222	55,222	32,192	-	23,030
Pupil Services	407,084	475,085	448,198	-	26,887
<b>Total Instruction</b>	<b>11,914,099</b>	<b>12,192,517</b>	<b>10,924,388</b>	<b>1,490</b>	<b>1,266,639</b>
Pupil Transportation	1,268,757	1,268,757	1,049,693	-	219,064
Community Services	13,750	13,750	3,364	-	10,386
Employee Benefits	6,592,637	6,461,642	5,955,616	-	506,026
<b>Debt Service</b>					
Principal	3,184,049	3,184,049	3,184,047	-	2
Interest	890,100	890,100	882,408	-	7,692
<b>Total Debt Service</b>	<b>4,074,149</b>	<b>4,074,149</b>	<b>4,066,455</b>	<b>-</b>	<b>7,694</b>
<b>Total Expenditures</b>	<b>27,809,031</b>	<b>28,044,597</b>	<b>25,754,898</b>	<b>1,594</b>	<b>2,288,105</b>
<b>OTHER FINANCING USES</b>					
Operating Transfers Out	20,000	1,770,000	1,750,000	-	20,000
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 27,829,031</b>	<b>\$ 29,814,597</b>	<b>27,504,898</b>	<b>\$ 1,594</b>	<b>\$ 2,308,105</b>
Net Change in Fund Balance			(366,107)		
Fund Balance - Beginning of Year			7,650,265		
<b>Fund Balance - End of Year</b>			<b>\$ 7,284,158</b>		

*See Notes to Required Supplementary Information*

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 263,132	\$ 275,582	\$ 270,741	\$ 291,643	\$ 255,792	\$ 279,910	\$ 326,326	\$ *	\$ *	\$ *
Contributions in Relation to the Contractually Required Contribution	(263,132)	(275,582)	(270,741)	(291,643)	(255,792)	(279,910)	(326,326)	*	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	1,987,521	2,052,897	1,537,150	1,537,150	1,550,455	1,506,778	1,510,236	*	*	*
Contributions as a Percentage of Covered Payroll	13.2%	13.4%	17.6%	19.0%	16.5%	18.6%	21.6%	N/A	N/A	N/A

\* Information not readily available

## SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 731,352	\$ 670,524	\$ 782,760	\$ 701,283	\$ 850,774	\$ 904,612	\$1,166,748	\$ *	\$ *	\$ *
Contributions in Relation to the Contractually Required Contribution	(731,352)	(670,524)	(782,760)	(701,283)	(850,774)	(904,612)	1,166,748	*	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	7,674,208	6,313,785	7,370,621	7,155,949	7,259,164	6,822,115	6,655,721	*	*	*
Contributions as a Percentage of Covered Payroll	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	N/A	N/A	N/A

\* Information not readily available

*See Notes to Required Supplementary Information*

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension Asset/Liability	<b>0.0055790%</b>	0.0060330%	0.0061323%	0.0063652%	0.0058752%	0.0058725%	0.0058466%
School District's Proportionate Share of the Net Pension Asset/Liability	<b>\$ 5,555</b>	\$ 1,597,566	\$ 434,490	\$ 205,434	\$ 552,042	\$ 942,557	\$ 197,512
School District's Covered Payroll During the Measurement Period	<b>1,963,969</b>	2,027,484	1,950,578	2,070,876	1,727,847	1,634,980	1,705,458
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Payroll	<b>0.3%</b>	78.8%	22.3%	9.9%	31.9%	57.6%	11.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	<b>99.9%</b>	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

## SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension Asset/Liability	<b>0.0437910%</b>	0.0440190%	0.0439320%	0.0435620%	0.0457840%	0.044308%	0.039938%
School District's Proportionate Share of the Net Pension Asset/Liability	<b>\$ 1,210,052</b>	\$ (1,143,628)	\$ (794,397)	\$ (331,116)	\$ 490,362	\$ (4,602,230)	\$ (4,448,861)
School District's Covered Payroll During the Measurement Period	<b>6,313,785</b>	7,370,621	7,155,946	7,259,164	6,822,115	6,655,721	5,886,737
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Payroll	<b>19.2%</b>	15.5%	11.1%	4.6%	7.2%	69.1%	75.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	<b>97.8%</b>	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

*See Notes to Required Supplementary Information*

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Service Cost	\$ 550,675	\$ 494,532	\$ 537,805	\$ 501,526	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	273,408	398,828	324,940	318,333	*	*	*	*	*	*
Changes of Benefit Terms	-	-	24,288	-	*	*	*	*	*	*
Differences Between Expected and Actual Experience	(349,957)	-	385,574	(26,687)	*	*	*	*	*	*
Changes in Assumptions or Other Inputs	63,302	671,789	(108,699)	-	*	*	*	*	*	*
Benefit Payments	(739,513)	(549,708)	(564,596)	(653,181)	*	*	*	*	*	*
	<u>(202,085)</u>	<u>1,015,441</u>	<u>599,312</u>	<u>139,991</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Beginning	<u>12,188,478</u>	<u>11,173,037</u>	<u>10,573,725</u>	<u>10,433,734</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
<b>Total OPEB Liability - Ending</b>	<b><u><u>\$11,986,393</u></u></b>	<b><u><u>\$12,188,478</u></u></b>	<b><u><u>\$11,173,037</u></u></b>	<b><u><u>\$10,573,725</u></u></b>	<b><u><u>\$10,433,734</u></u></b>	<b><u><u>*</u></u></b>	<b><u><u>*</u></u></b>	<b><u><u>*</u></u></b>	<b><u><u>*</u></u></b>	<b><u><u>*</u></u></b>
Covered Employee Payroll	\$ 8,075,435	\$ 8,591,100	\$ 8,591,100	\$10,549,919	*	*	*	*	*	*
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>148.4%</b>	<b>141.9%</b>	<b>130.1%</b>	<b>100.2%</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Discount Rate</b>	<b>2.16%</b>	<b>2.21%</b>	<b>3.50%</b>	<b>3.00%</b>						

\* Information for periods prior to implementation of GASB Statement No. 75 is unavailable.

*See Notes to Required Supplementary Information*

# GREENE CENTRAL SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2021

**Note 1 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 a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

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

The following supplemental appropriations occurred during the year:

Adopted Budget	\$ 27,769,031
Carryover Encumbrances	<u>60,000</u>
Original Budget	\$ 27,829,031
CARES Act Funding	453,172
Tax Refunds	32,394
Appropriated Reserves	<u>1,500,000</u>
<b>Final Budget</b>	<b><u>\$ 29,814,597</u></b>

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

Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid and School Lunch). Budgetary controls for the Special Aid Fund are established in accordance with the applicable grant agreements. Special Aid grants may also cover a period other than the School District's fiscal year. Budgetary controls for School Lunch Fund are established internally.

**Note 2 Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are presented in a separate column and are not included in the actual results at June 30, 2021.

**Note 3 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios**

From July 1, 2018 to July 1, 2020, overall membership decreased from 576 to 650. The number of active members decreased from 207 to 266, and the number of inactive members decreased from 369 to 384. The average age of active members decreased slightly from 49.4 to 48.4, and the average age of retired members decreased from 72.0 to 72.4.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021**

***Note 3*** **Schedule of Changes in the School District's Total OPEB Liability and Related Ratios - Continued**

**Changes of Assumptions**

The actuarial valuation reflects the adoption of the Pub-2010 Mortality Table (from RP-2014 Adjusted to 2006 Total Dataset Mortality Table) with generational projection of future improvements per the MP-2019 Ultimate Scale. Additionally, retirement and turnover rates were updated to reflect the assumptions used in the 2020 Annual Report to the Comptroller on Actuarial Assumptions for the New York State and Local Retirement System. The valuation of future implementation of the excise tax on medical benefits is no longer used, as it has been officially repealed as of December 20, 2019. The combined impact of these assumption changes was an increase in the accrued liability of \$1.1 million (1.0%).

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of the projections, the decision has been made to not make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

The discount rate has been changed to 2.16% (from 2.21%) since this is the discount rate that will be used to measure the total OPEB liability for the purposes of GASB Statement No. 75. This increased the accrued liability by \$32.6 million (30.2%) after the inclusion of all assumption changes described above.

***Note 4*** **Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**  
The Schedule of the School District's Proportionate Share of the Net Pension Asset/Liability, required supplementary information, will present ten years of information as it becomes available from the pension plans.

***Note 5*** **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

**NYSLRS**

**Changes in Benefit Terms**

There were no significant legislative changes in benefits.

**Changes of Assumptions**

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.



# **GREENE CENTRAL SCHOOL DISTRICT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021**

**Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

**NYSLRS - Continued**

**Changes of Assumptions - Continued**

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2019 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021**

***Note 5*** **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

### **NYSTRS**

#### **Changes in Benefit Terms**

Effective with the 2019 actuarial valuation, an increase in the New York State Governor's salary limit from \$179,000 to \$200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary limit may ultimately increase to \$250,000, phased in over the next two years.

#### **Changes of Assumptions**

Actuarial assumptions are revised periodically to more closely reflect actual, as well as anticipated, future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 7.10%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement is changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021**

***Note 5* Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

**NYSTRS - Continued**

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the Schedule of School Districts' Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the School Districts' Contributions.

**Actuarial Cost Method**                      The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.

**Asset Valuation Method**                      Five-year phased in deferred recognition of each year's net investment income/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.

**Inflation**    2.25%

**Projected Salary Increases**                      Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

**Investment Rate of Return**                      7.25% compounded annually, net of investment expenses, including inflation.

**Cost of Living Adjustments**                      1.5% compounded annually.

# **GREENE CENTRAL SCHOOL DISTRICT**

## **SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2021**

### **CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 27,769,031
Prior Year's Encumbrances	<u>60,000</u>
Original Budget	<u>27,829,031</u>
Budget Revisions:	
CARES Act Funding	<u>453,172</u>
Tax Refunds	<u>32,394</u>
Appropriated Reserves	<u>1,500,000</u>
Total Additions	<u>1,985,566</u>
<b>Final Budget</b>	<b><u><u>\$ 29,814,597</u></u></b>

### **§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

Next Year's Budget is a Voter Approved Budget	<b><u><u>\$ 28,671,998</u></u></b>
Maximum allowed (4% of the 2021-2022 Budget)	<b><u><u>\$ 1,146,880</u></u></b>
General Fund Balance Subject to §1318 of Real Property Tax Law:	
Unrestricted Fund Balance:	
Assigned Fund Balance	<u>\$ 514,794</u>
Unassigned Fund Balance	<u>2,258,945</u>
Total Unrestricted Fund Balance	<u>2,773,739</u>
Less:	
Appropriated Fund Balance	<u>\$ 513,200</u>
Encumbrances Included in Committed and Assigned Fund Balance	<u>1,594</u>
Total Adjustments	<u>514,794</u>
<b>General Fund Fund Balance Subject to §1318 of Real Property Law</b>	<b><u><u>\$ 2,258,945</u></u></b>
<b>Actual Percentage</b>	<b>7.88%</b>

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2021
			Prior Years	Current Year	Total		Proceeds of Obligations	State and Federal Aid	Local Sources	Total	
District Wide Project 2008	\$36,100,000	\$ 36,100,000	\$ 33,841,547	\$ -	\$ 33,841,547	\$ 2,258,453	\$31,995,182	\$ 1,049,818	\$ 8,316	\$ 33,053,316	\$ (788,231)
District Wide Project 2015	943,696	1,036,766	1,098,179	-	1,098,179	(61,413)	651	-	863,099	863,750	(234,429)
Jr-Sr School 0002-021 (part of 2015 DW project, Phase 2)	943,696	1,085,876	505,158	-	505,158	580,718	-	-	250,000	250,000	(255,158)
Bus Garage 5005-013 (part of 2015 DW project, Phase 2)	91,066	91,066	91,066	-	91,066	-	91,066	-	-	91,066	-
Primary School 0004-017 (part of 2015 DW project, Phase 2)	970,458	970,458	970,458	-	970,458	-	970,458	-	-	970,458	-
Jr-Sr School 0002-020 (part of 2015 DW project, Phase 2)	3,628,864	3,628,864	3,628,864	-	3,628,864	-	3,628,864	-	-	3,628,864	-
Intermediate School 0003-016 (part of 2015 DW project, Phase 2)	643,961	643,961	643,961	-	643,961	-	643,961	-	-	643,961	-
Primary School 0004-019 (part of 2015 DW project, Phase 1)	112,000	79,663	79,663	-	79,663	-	-	-	-	-	(79,663)
Intermediate School 0003-017 (part of 2015 DW project, Phase 1)	51,000	81,333	81,333	-	81,333	-	-	-	-	-	(81,333)
Primary School 0004-016 (Emergency Project)	140,000	140,000	154,473	-	154,473	(14,473)	-	-	128,173	128,173	(26,300)
District Wide 7999-005 (Smart Bond)	769,974	769,974	802,109	-	802,109	(32,135)	-	769,974	-	769,974	(32,135)
Primary School 0004-020	15,008	15,008	-	60,607	60,607	(45,599)	-	-	-	-	(60,607)
Primary School 0004-021	3,442,624	3,442,624	-	343,444	343,444	3,099,180	465,921	-	139,776	605,697	262,253
Jr-Sr School 0002-023	2,636,533	2,636,533	-	2,932,319	2,932,319	(295,786)	3,978,026	-	1,193,408	5,171,434	2,239,115
Intermediate School 0003-018	38,043	38,043	-	68,646	68,646	(30,603)	-	-	-	-	(68,646)
Bus Garage 5005-015	1,771,858	1,771,858	-	409,883	409,883	1,361,975	556,053	-	166,816	722,869	312,986
Intermediate School 0003-019	3,892,876	3,892,876	-	875,317	875,317	3,017,559	-	-	-	-	(875,317)
Jr-Sr School 0002-022	3,203,058	3,203,058	-	570,950	570,950	2,632,108	-	-	-	-	(570,950)
Primary School 0004-022	711,023	711,023	-	-	-	711,023	-	-	-	-	-
Jr-Sr School 0002-024	548,240	548,240	-	-	-	548,240	-	-	-	-	-
Intermediate School 0003-020	674,701	674,701	-	-	-	674,701	-	-	-	-	-
Bus Garage 5005-016	12,745	12,745	-	24,051	24,051	(11,306)	-	-	-	-	(24,051)
District Wide 7999-005 (Smart Bond Phase II)	-	-	-	11,388	11,388	(11,388)	-	-	-	-	(11,388)
Equipment Replacements	-	-	-	-	-	-	-	-	48,205	48,205	48,205
Buses - Prior Years	1,385,498	1,385,498	1,385,498	-	1,385,498	-	621,584	-	1,248,920	1,870,504	485,006
Buses - 2018-2019	274,223	274,223	274,084	-	274,084	139	274,084	-	-	274,084	-
Buses - 2019-2020	353,519	404,824	349,216	51,305	400,521	4,303	106,055	-	294,466	400,521	-
Buses - 2020-2021	347,353	347,353	-	347,353	347,353	-	242,986	-	-	242,986	(104,367)
Unredeemed BANs	-	-	-	-	-	-	(5,000,000)	-	-	(5,000,000)	(5,000,000)
Unredeemed BANs	-	-	-	-	-	-	(940,662)	-	-	(940,662)	(940,662)
<b>Totals</b>	<b>\$63,702,017</b>	<b>\$ 63,986,568</b>	<b>\$ 43,905,609</b>	<b>\$ 5,695,263</b>	<b>\$ 49,600,872</b>	<b>\$14,385,696</b>	<b>\$37,634,229</b>	<b>\$ 1,819,792</b>	<b>\$ 4,341,179</b>	<b>\$ 43,795,200</b>	<b>\$ (5,805,672)</b>

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS FOR THE YEAR ENDED JUNE 30, 2021**

<b>Capital Assets, Net</b>	<u>\$ 49,422,966</u>
Deduct:	
Bond Anticipation Notes	<u>(5,940,662)</u>
Short-Term Portion of Bonds Payable	<u>(2,565,000)</u>
Long-Term Portion of Bonds Payable	<u>(13,135,000)</u>
Short-Term Portion of Bond Premium	<u>(96,170)</u>
Long-Term Portion of Bond Premium	<u>(769,355)</u>
Add:	
Unspent Bond and BAN Proceeds	<u>1,314,354</u>
<b>Net Investment in Capital Assets</b>	<u><b>\$ 28,231,133</b></u>

# **GREENE CENTRAL SCHOOL DISTRICT**

## **BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021**

	Special Revenue Funds			Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	
<b>ASSETS</b>				
Cash - Unrestricted	\$ 84,670	\$ -	\$ -	\$ 84,670
Cash - Restricted	-	41,964	253,723	295,687
Receivables:				
Due from Other Funds	246,400	15,698	-	262,098
State and Federal Aid	311,737	181,698	-	493,435
Inventories	-	5,168	-	5,168
<b>Total Assets</b>	<b>\$ 642,807</b>	<b>\$244,528</b>	<b>\$ 253,723</b>	<b>\$ 1,141,058</b>
<b>LIABILITIES</b>				
Payables:				
Accounts Payable	\$ 30,504	\$ -	\$ -	\$ 30,504
Accrued Liabilities	50	1,291	33,724	35,065
Due to Other Governments	-	220	-	220
Unearned Revenues	612,253	-	-	612,253
<b>Total Liabilities</b>	642,807	1,511	33,724	678,042
<b>FUND BALANCES</b>				
Nonspendable	-	5,168	-	5,168
Restricted	-	237,849	219,999	457,848
<b>Total Fund Balances</b>	-	243,017	219,999	463,016
<b>Total Liabilities and Fund Balances</b>	<b>\$ 642,807</b>	<b>\$244,528</b>	<b>\$ 253,723</b>	<b>\$ 1,141,058</b>

# GREENE CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>			<u>Total Non-Major Governmental Funds</u>
	<u>Special Aid Fund</u>	<u>School Lunch Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ 16	\$ 375	\$ 391
Miscellaneous Local Sources	26,350	1,475		27,825
State Sources	470,417	70,749	-	541,166
Federal Sources	811,215	893,701	-	1,704,916
Sales - School Lunch	-	16,270	-	16,270
<b>Total Revenues</b>	<u>1,307,982</u>	<u>982,211</u>	<u>375</u>	<u>2,290,568</u>
<b>EXPENDITURES</b>				
Instruction	408,455	-	25,450	433,905
Employee Benefits	899,527	153,535	-	1,053,062
Cost of Sales	-	603,318	-	603,318
<b>Total Expenditures</b>	<u>1,307,982</u>	<u>756,853</u>	<u>25,450</u>	<u>2,090,285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>225,358</u>	<u>(25,075)</u>	<u>200,283</u>
Net Change in Fund Balance	<u>-</u>	<u>225,358</u>	<u>(25,075)</u>	<u>200,283</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>17,659</u>	<u>245,074</u>	<u>262,733</u>
<b>Fund Balances - End of Year</b>	<u>\$ -</u>	<u>\$ 243,017</u>	<u>\$ 219,999</u>	<u>\$ 463,016</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***

Board of Education  
Greene Central School District  
Greene, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene Central School District (the 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, and have issued our report thereon dated October 6, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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. 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 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 of 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Questioned Costs as item [2021-001].

### **The School District's Response to the Finding**

Greene Central School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of This Report**

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 School 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 6, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE**

Board of Education  
Greene Central School District  
Greene, New York

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

We have audited the Greene Central School District's (the School District) 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 School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditors' 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 federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 the 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 the School District's compliance.

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

In our opinion, the School District, complied, in all material respects, with the 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 the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on above. In planning and performing our audit of compliance, we considered the 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 the 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 a 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 6, 2021

# GREENE 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 #	Pass -Through Grantor #	Pass - Through to Subrecipients	Expenditures
<b>U.S. Department of Education</b>				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021210435	\$ -	\$ 392,509
Improving Teacher Quality State Grants	84.367	0147200435	-	8,851
Improving Teacher Quality State Grants	84.367	0147210435	-	41,140
			-	49,991
Special Education Cluster:				
Special Education - Grants to States	84.027	0032210125	-	325,752
Special Education - Preschool Grants	84.173	0033210125	-	12,575
Total Special Education Cluster			-	338,327
COVID-19 Education Stabilization Fund (ESF):				
Governor's Emergency Education Relief (GEER) Fund	84.425C	5895210435	-	55,595
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891210435	-	283,957
Total Education Stabilization Fund (ESF)			-	339,552
Safe and Drug-Free Schools and Communities	84.186	0204200435	-	11,248
Safe and Drug-Free Schools and Communities	84.186	0204210435	-	19,140
			-	30,388
<b>Total U.S. Department of Education</b>			-	1,150,767
<b>U.S. Department of Agriculture</b>				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
COVID-19 Summer Food Program	10.559	(1)	-	893,701
<b>Total U.S. Department of Agriculture</b>			-	893,701
<b>U.S. Department of Homeland Security</b>				
Passed through NYS Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance	97.036	4031 DR-NY	-	33,642
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 2,078,110</b>

(1) Unknown

*See Notes to Schedule of Expenditures of Federal Awards*

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021**

***Note 1***     **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

***Note 2***     **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

***Note 3***     **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The School District has elected not to use the 10% de minimus indirect cost rate.

***Note 4***     **Matching Costs**

Matching costs, i.e., the School District's share of certain program costs, are not included in the reported expenditures.

***Note 5***     **Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2021, the School District received \$60,003 worth of commodities under the Summer Food Program (CFDA #10.559).

***Note 6***     **Subrecipients**

No amounts were provided to subrecipients.

***Note 7***     **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value and is covered by the School District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

# GREENE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

### Section I Summary of Auditors' Results

#### *Financial Statements*

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

    yes   X   no

Significant deficiency(ies) identified that are not  
considered to be material weakness(es)?

    yes   X   none reported

Noncompliance material to financial statements noted?

  X   yes     no

#### *Federal Awards*

Internal control over major programs:

Material weakness(es) identified?

    yes   X   no

Significant deficiency(ies) identified that are not  
considered to be material weakness(es)?

    yes   X   none reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)?

    yes   X   no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.425C, 84.425D

Education Stabilization Fund

84.027, 84.173

Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B  
Programs:

\$750,000

Auditee qualified as low risk?

  X   yes     no

# ***GREENE CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Section II Financial Statement Findings**

#### 2021-001 Fund Balance Limitation

**Condition:**

At June 30, 2021, unassigned fund balance in the General Fund was \$1,112,065 in excess of the allowable limit.

**Criteria:**

The School District is allowed, under New York State Real Property Tax Law §1318, to retain up to 4% of the succeeding year's budget in unassigned fund balance.

**Cause:**

The School District did not spend \$2,308,105 of its 2020-2021 appropriations.

**Effect:**

The School District is not in compliance with New York State Real Property Tax Law §1318.

**Recommendation:**

We recommend continued formal long-term (three to five years) budgetary planning in conjunction with the annual budgetary process. We also recommend current fund balance reserve accounts be reviewed to determine appropriate levels from both a short-term and long-term planning perspective. As part of the budgeting process, we recommend the School District estimate the amount of unassigned fund balance anticipated at year end in order to determine amounts which should be used to reduce the tax levy in accordance with New York State Real Property Tax Law (Code §1318).

**Response:**

There has been and continues to be significant uncertainty with the costs the School District has incurred in response to the pandemic. Additionally, there has been uncertainty with State Aid and other revenue sources which has necessitated a conservative approach with the School District's resources. The School District has reviewed the existing reserve funds for appropriate funding levels and intends to establish a Capital Reserve in the 2022 fiscal year which will substantially reduce the surplus funds.

### **Section III Federal Award Findings and Questioned Costs**

None