

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**WITH COMPARATIVE TOTALS FOR 2020**

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

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### **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Union-Endicott Central School District  
1100 East Main Street  
Endicott, New York 13760

#### **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 Union-Endicott Central School District, as of, and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Union-Endicott Central 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the requirements of *Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Union-Endicott Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

## **Other Matters**

### ***Required supplementary information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedule of changes in total OPEB liability, schedule of District's contributions-NYSLRS pension plan, schedule of proportionate share of the net pension liability - NYSLRS pension plan, schedule of District's contributions - NYSTRS pension plan, schedule of proportionate share of net pension liability/(asset) - NYSTRS pension plan, and schedule of revenues, expenditures and changes in fund balance -budget (non-GAAP) and actual - General Fund* on pages 6 through 17, and 59 through 65 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 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 Union-Endicott Central School District's basic financial statements. The change from adopted budget to final budget and the real property tax limit, schedule of project expenditures capital projects funds, combined balance sheet-non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances non-major governmental funds, investment in capital assets, net of related debt and the Schedule of Expenditures of Federal Awards, required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The change from adopted budget to final budget and the real property tax limit, project expenditures capital projects funds, combined balance sheet-non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances-non-major governmental, investment in capital assets, net of related debt and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves 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 change from adopted budget to final budget and the real property tax limit, project expenditures capital projects funds, combined balance sheet-non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances-non-major governmental funds, investment in capital assets, net of debt and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

***Prior Year Comparative information***

We have previously audited the District's June 30, 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards and the Uniform Guidance***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 on our consideration of Union-Endicott Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Union-Endicott's internal control over financial reporting and compliance.

We have also issued our report dated October 14, 2021, on compliance for each major federal program, internal control over compliance, and the schedule of federal awards required by the Uniform Guidance. The purpose of that report is to describe the scope of our testing of internal control and compliance for each major program and the results of our 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 *Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* in considering Union-Endicott's internal control over each major program and compliance.

*Vieira & Associates CPAs, P.C.*

October 14, 2021  
Endicott, New York

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

The following is a discussion and analysis of the Union Endicott Central School District's (the School District) financial performance 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 General Fund revenues exceeded expenditures by \$544,861 in 2020-2021, compared to revenues exceeding expenditures by \$155,997 in 2019-2020.
- The General Fund adjusted budgeted expenditures and other financing uses were underspent by \$4,180,925, while actual revenues and other financing sources came in under the adjusted budget by \$3,859,314.
- Capital asset equipment and building additions during 2020-2021 amounted to \$2,901,936. Net depreciation expense totaled \$3,986,458.
- Indebtedness of the School District at June 30, 2021, in the amount of \$291,641,031 increased \$46,021,134 from June 30, 2020 due to costs associated with ongoing construction projects.
- Total fund balance in the General Fund, including reserves, was \$17,381,838 at June 30, 2021. Restricted fund balance of \$12,381,242 consisted of General Fund restricted reserves; assigned fund balance of \$1,723,251 which consisted of encumbrances of \$223,250 and appropriations to support the 2020- 2021 budget of \$1,500,000. Unassigned fund balance was \$3,277,345, which is below the maximum limit (4% of 2021-2022 appropriations) permitted under New York State Real Property Tax.

#### 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.

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

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

that further explains and supports the financial statements with a comparison of the School District's budget for the year and a Schedule of Changes in the School District's Total OPEB Liability and Related ratios related to the School District's unfunded actuarial liability for postemployment benefits and information related to the School District's pension obligations

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 and liabilities. 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 liabilities – 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 the 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 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 Funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Scholarship Fund and 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

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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

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*

<b>Condensed Statement of Net Position</b>	<b>Governmental Activities &amp; Total School District</b>		<b>Total Dollar Change</b>
	<b>2019-2020</b>	<b>2020-2021</b>	<b>2020-2021</b>
<i>Current assets and other assets</i>	\$ 32,747,707	\$ 29,248,388	\$ (3,499,319)
<i>Net capital assets</i>	110,849,376	111,260,201	410,825
<b>Total assets</b>	<b>143,597,083</b>	<b>140,508,589</b>	<b>(3,088,494)</b>
<b>Deferred cash outflows</b>	<b>22,169,358</b>	<b>55,765,156</b>	<b>33,595,798</b>
<i>Current liabilities</i>	28,183,536	21,175,757	(7,007,779)
<i>Noncurrent liabilities</i>	245,619,897	291,641,031	46,021,134
<b>Total liabilities</b>	<b>273,803,433</b>	<b>312,816,788</b>	<b>39,013,355</b>
<b>Deferred cash inflows</b>	<b>50,183,361</b>	<b>42,145,015</b>	<b>(8,038,346)</b>
<i>Invested in capital assets, net of debt</i>	69,327,874	75,150,863	5,822,989
<i>Restricted</i>	13,967,221	14,862,199	894,978
<i>Unrestricted (deficit)</i>	(241,515,446)	(248,701,120)	(7,185,674)
<b>Total net position</b>	<b>\$ (158,220,351)</b>	<b>\$ (158,688,058)</b>	<b>\$ (467,707)</b>

Total assets decreased (2.15%) in 2020-2021.

Deferred cash outflows increased 151.54% and deferred cash inflows decreased (16%). These are a 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.

Total liabilities increased by 14.25%. This change stems from increases in both the School District's OPEB liability and net pension liability for the NYSLRS pension plan.

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Our analysis in Figure 2 considers the operations of the School District's activities.

*Figure 2*

<b>Changes in Net Position</b>	<b>Governmental Activities &amp; Total School District</b>		<b>Total Dollar Change</b>
	<b>2019-2020</b>	<b>2020-2021</b>	<b>2020-2021</b>
<b>REVENUES</b>			
<i>Program revenues:</i>			
<i>Charges for service</i>	\$ 387,664	\$ 315,401	\$ (72,263)
<i>Operating grants and contributions</i>	4,123,638	5,906,907	1,783,269
<i>General revenues:</i>			
<i>Real property taxes</i>	42,179,816	42,430,024	250,208
<i>State and federal sources</i>	43,602,052	40,301,203	(3,300,849)
<i>Use of money and property</i>	985,449	627,059	(358,390)
<i>Other general revenues</i>	1,911,031	1,765,804	(145,227)
<b>Total revenues</b>	<b>93,189,650</b>	<b>91,346,398</b>	<b>(1,843,252)</b>
<b>PROGRAM EXPENSES</b>			
<i>General support</i>	10,224,621	11,308,530	1,083,909
<i>Instruction</i>	45,253,497	44,655,982	(597,515)
<i>Pupil transportation</i>	1,830,416	1,622,295	(208,121)
<i>Employee benefits</i>	20,138,273	27,765,434	7,627,161
<i>Debt service</i>	1,409,083	1,075,301	(333,782)
<i>School lunch program</i>	1,736,226	1,605,899	(130,327)
<i>Scholarships</i>	0	6,320	6,320
<i>Depreciation</i>	3,931,824	3,988,673	56,849
<b>Total expenses</b>	<b>84,523,940</b>	<b>92,028,434</b>	<b>7,504,494</b>
<b>CHANGE IN NET POSITION</b>	<b>8,665,710</b>	<b>(682,036)</b>	<b>(9,347,746)</b>

Total revenues for the School District's Governmental Activities decreased by (\$1,843,252) or (2%) while total expenditures increased \$7,504,494 or 9%. The decrease in revenue is mostly due to decreases in state and federal sources. The increase in program expense is primarily due to a net increase in OPEB and instruction expense in comparison to expenses recorded the prior year.

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Figures 3 and 4 show the percentage of sources of revenue for 2020-2021 and 2019-2020.

Figure 3

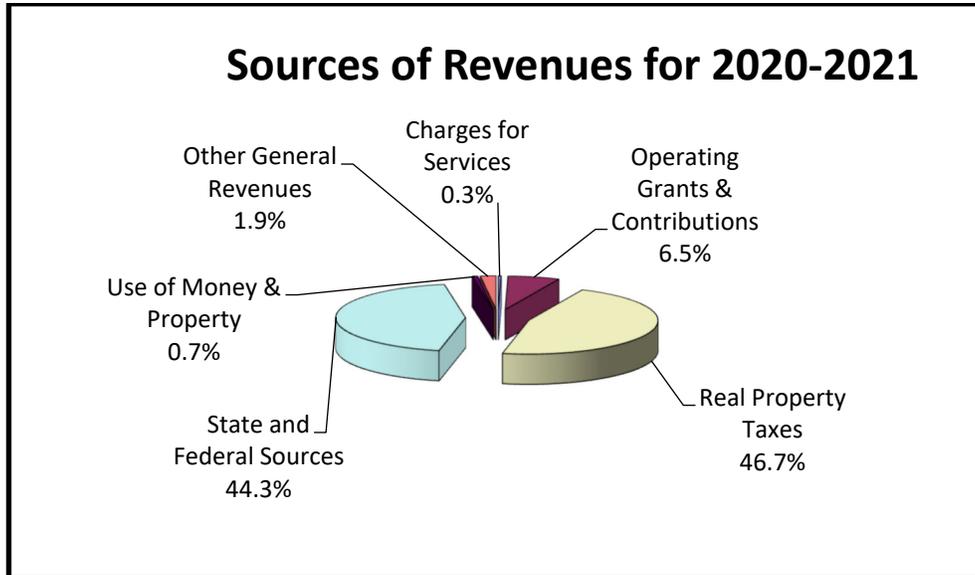
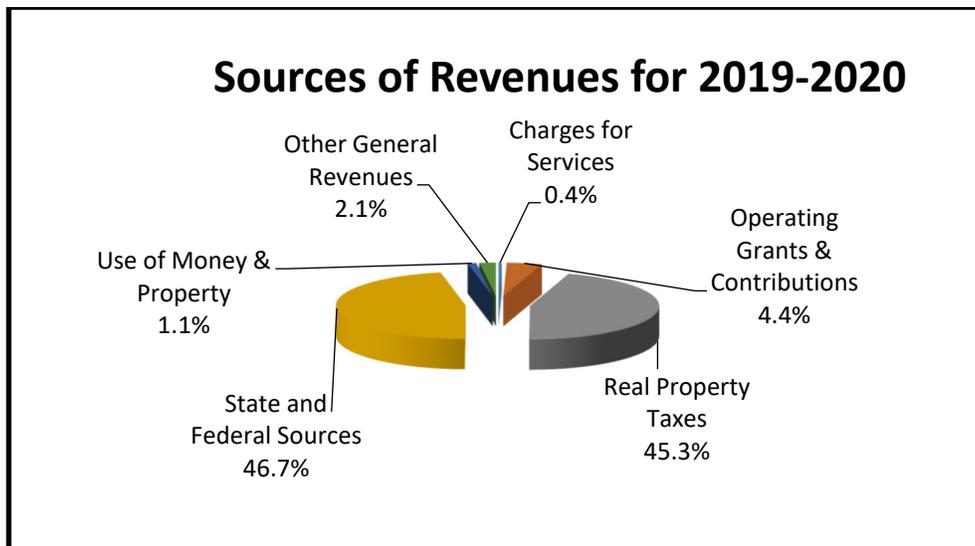


Figure 4



**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Figures 5 and 6 present the cost for each of the School District's programs for 2020-2021 and 2019-2020.

Figure 5

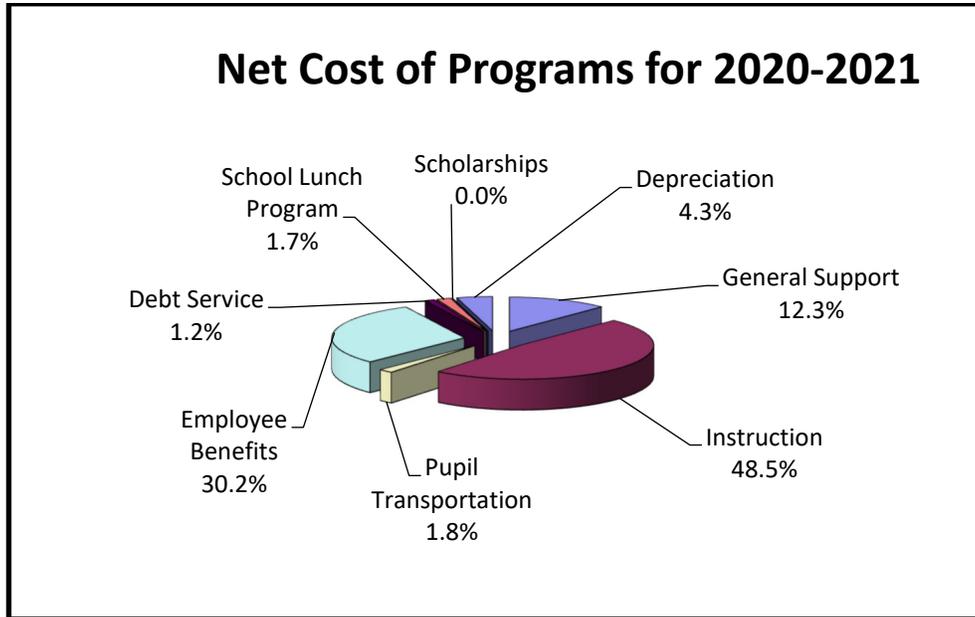
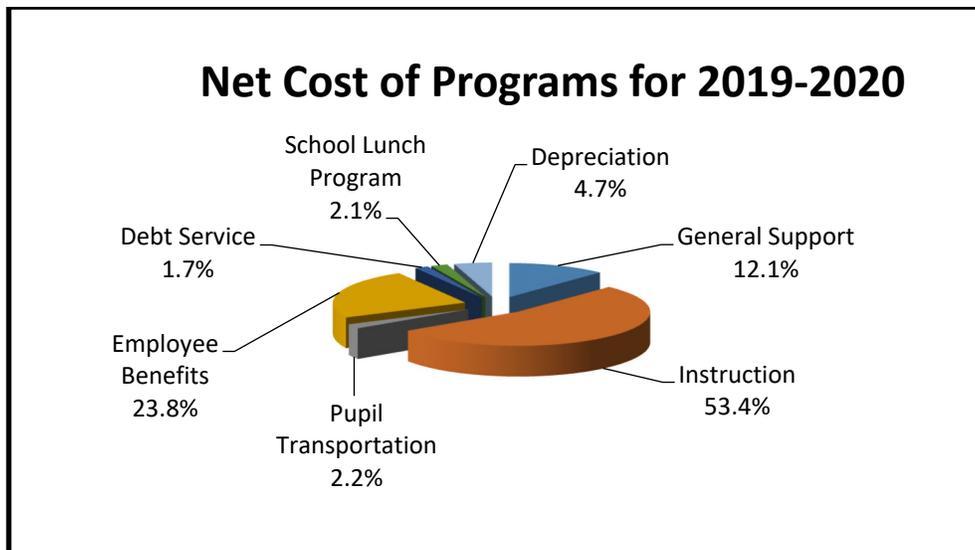


Figure 6



**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in fund balances for the year for the School District's funds. As the School District completed the year, its governmental funds, as presented in the Balance Sheet, reported a combined total fund balance of \$8,115,448 which is an increase from the prior year's balance of \$595,994. The increase is primarily attributable to restructuring debt for ongoing capital projects.

*Figure 7*

<b>Governmental Fund Balances</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Total Dollar Change 2020-2021</b>
<i>General Fund</i>	\$ 16,836,978	\$ 17,381,838	\$ 544,860
<i>Special Aid</i>	0	0	0
<i>School Lunch</i>	805,728	840,010	34,282
<i>Debt Service</i>	2,271,669	2,272,759	1,090
<i>Miscellaneous Special Revenue</i>	0	208,198	208,198
<i>Capital project</i>	<u>(19,318,381)</u>	<u>(12,587,357)</u>	<u>6,731,024</u>
<i>Total Fund Balance</i>	595,994	8,115,448	7,519,454

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was \$1,409,632 or 1.7% of total general fund expenditures and may be summarized as follows:

282,867.17	June 30, 2020 Encumbrance Carryover
1,000.00	Scholarship America
11,184.76	Insurance Recovery Fence Damage (BOE 8/24/20)
92,394.81	Use of Unemployment Insurance Reserve (BOE 9/1/20)
1,417.09	Visions FCU - CFJ Kindergarten (COVI-19) Donations (BOE 9/14/20)
500.00	Visions FCU Loves Educators Donations (BOE 10/5/20)
19,899.68	Emergency Water Heater Replacement AGM/UEHS (BOE 10/5/20)
582.25	18-19 Tax Refund (BOE 10/5/20)
1,647.45	19-20 Tax Refund (BOE 10/5/20)
100.00	Greater Binghamton UNICO (BOE 10/5/20)
60.00	American Heart Association (BOE 10/26/20)
167.00	Visions FCU Loves Educators Donations (BOE 1/4/21)
255,960.58	17-18 Glencott Tax Refund (BOE 1/25/21)
319,528.72	18-19 Glencott Tax Refund (BOE 1/25/21)
375,322.33	19-20 Glencott Tax Refund (BOE 1/25/21)
500.00	Visions FCU - Makerspace Grant (BOE 2/16/21)
500.00	Visions FCU Loves Educators Donation (BOE 3/8/21)
1,000.00	Girl-Up Middle School Grant (BOE 3/29/21)
45,000.00	2020 Flood Damage - Field & Field House (BOE 6-21-21)
<u>1,409,631.84</u>	

The District's policy for amending the original budget is as follows:

- All transfers \$5,000 and greater require prior board approval with the exception of all salary transfers; transfers under \$5,000 and salary transfers require District approval. All transfers are reported to the board.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ending June 30, 2021.

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Figure 8

<b>Condensed Budgetary Comparison General Fund - 2020-2021</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual w/ Encumbrances</b>	<b>Total Dollar Variance</b>
<b>REVENUES</b>				
Real property taxes	\$ 36,888,511	\$ 36,888,511	\$ 36,332,989	\$ (555,522)
Real property tax items	6,094,520	6,094,520	6,097,035	2,515
State and federal sources	40,354,833	40,354,833	40,301,203	(53,630)
All other - other financing sources	1,529,392	1,529,392	2,102,917	573,525
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 84,867,256</b>	<b>\$ 84,867,256</b>	<b>\$ 84,834,144</b>	<b>\$ (33,112)</b>
Transfers from other fund	\$ 6,145	\$ 6,145	\$ 6,145	\$ 0
Appropriated fund balance	1,500,000	2,191,272	0	(2,191,272)
Appropriated reserves	282,867	1,634,930	0	(1,634,930)
<b>Budget Grand Total</b>	<b>\$ 86,656,268</b>	<b>\$ 88,699,603</b>	<b>\$ 84,840,289</b>	<b>\$ (3,859,314)</b>
<b>EXPENDITURES</b>				
General Support	10,752,892	12,004,202	11,280,993	723,209
Instruction	43,034,497	43,144,366	41,500,436	1,643,930
Pupil transportation	2,018,773	2,011,129	1,622,040	389,089
Employee benefits	23,746,892	23,480,017	22,724,713	755,304
Debt service	7,834,789	7,834,789	7,229,016	605,773
Transfers to other funds	175,500	225,100	161,480	63,620
<b>Total Expenditures, and Other Financing Uses</b>	<b>\$ 87,563,343</b>	<b>\$ 88,699,603</b>	<b>\$ 84,518,678</b>	<b>\$ 4,180,925</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. Capital assets had a net increase of \$410,825 over last year as shown in Figure 9 below.

Figure 9

<b>Capital Assets (Net of Depreciation)</b>	<b>Government Activities &amp; Total School District</b>				
	<b>Beginning Bal. 7/1/2020</b>	<b>Additions</b>	<b>Retire.</b>	<b>Reclass.</b>	<b>Ending Bal. 6/30/2021</b>
Land	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 350,000
Construction in Progress	23,629,188	3,676,888	0	(2,179,326)	25,126,750
Buildings	83,564,895	(1,160,041)	0	0	82,404,854
Equipment	3,305,293	75,519	0	(2,215)	3,378,597
<b>Totals</b>	<b>\$ 110,849,376</b>	<b>\$ 2,592,366</b>	<b>\$ 0</b>	<b>\$ (2,181,541)</b>	<b>\$ 111,260,201</b>

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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

	110,849,376	Beginning Balance 7/1/2020	
	<u>111,260,201</u>	Ending Balance 6/30/2021	
	410,825		
\$	461,312	Buses (4)	
	133,669	Maintenance Vehicles (2)	
	48,475	Stadium Sound System	
	15,939	Cafeteria Equipment	
	<u>11,600</u>	Misc. Equipment	
	670,995	Subtotal - Equipment Additions	
	<u>3,728,504</u>	Add: Construction Additions, net	
	4,399,499	Grand Total - Additions	
	0	Retirements, net	
	(2,215)	Reclassifications, net	
	<u>(3,986,458)</u>	Depreciation	
<b>\$</b>	<b>410,825</b>		

Debt Administration

Debt, both short and long-term, considered a liability of Governmental Activities, decreased by \$2,296,600 in 2020-2021, as shown in *Figure 10*. Total indebtedness represented 50% of the constitutional debt limit, exclusive of building aid estimates.

*Figure 10*

Outstanding Debt	Governmental Activities & Total School District		Total Dollar Change
	2019-2020	2020-2021	2020-2021
	Bond anticipation notes	\$ 19,471,360	\$ 14,914,760
Serial bonds	23,185,000	25,445,000	2,260,000
<b>Totals</b>	<b>\$ 42,656,360</b>	<b>\$ 40,359,760</b>	<b>\$ (2,296,600)</b>

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

**UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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

- The District's 2020-21 budget proposal of \$87,289,972 called for a tax levy increase of 1.88%, which was the State's maximum allowable tax levy increase for the 2020-21 fiscal year. With an increase in state aid of \$544,452 the district was able to maintain and reinstate programs.
- The budget for the 2021-22 fiscal year was voted on by qualified voters on May 18, 2021. The District's 2021-22 budget proposal of \$89,573,463 called for a tax levy increase of 1.19%, which was equal to the State's maximum allowable tax levy increase for the 2021-22 fiscal year. The budget passed by 81%.
- As part of a twelve-year replacement schedule designed to strategically maintain the fleet of vehicles,
- (2) 65 passenger gasoline school buses and (1) 65 passenger gasoline wheelchair bus will be purchased for a total cost not to exceed \$400,000.
- Union-Endicott's Total Reserves after Adjustments as of 6/30/21:
  - Unemployment Insurance Reserve - \$175,408
  - Retirement Contribution Reserve - \$3,951,834
  - Retirement Contribution Sub-Reserve - \$1,536,109
  - Reserve for Tax Certiorari - \$590,000
  - Reserve for EBALR - \$893,475
  - Capital Reserve - \$5,234,416
- This year the District's Bond Rating continues to be rated by Standard and Poor as A+.

***UNION ENDICOTT CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021***

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

This financial report is designed to provide the Union Endicott 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 District Office of the Union Endicott Central School District, 1100 E. Main Street, Endicott, New York 13760.

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>Cash</b>		
Unrestricted	\$ 10,451,336	\$ 12,161,338
Restricted	12,589,440	11,695,552
<b>Receivables</b>		
Due from fiduciary funds	-	1,220
State and Federal aid	3,412,521	2,499,836
Due from other governments	2,446,275	2,197,577
Other	272,188	125,854
Inventories	76,628	87,722
Net pension asset - proportionate share	-	3,978,610
Capital assets, net of accumulated depreciation	111,260,201	110,849,376
<b>Total Assets</b>	<b>\$ 140,508,589</b>	<b>\$ 143,597,085</b>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	\$ 18,360,300	\$ 16,022,812
Other post employment benefits (OPEB)	37,404,856	6,146,546
<b>Total Deferred Outflow of Resources</b>	<b>\$ 55,765,156</b>	<b>\$ 22,169,358</b>
 <b>LIABILITIES</b>		
<b>Payables</b>		
Accounts payable	\$ 2,189,747	\$ 4,954,369
Accrued liabilities	379,073	212,616
Due to fiduciary funds	-	5,127
Due to other governments	228	77
Due to Teachers' Retirement System	2,658,501	2,474,309
Due to Employees' Retirement System	252,406	229,878
<b>Notes payable</b>		
Bond anticipation	14,914,760	19,471,360
<b>Deferred credits</b>		
Unearned revenues	781,042	835,800
<b>Long-term liabilities</b>		
Due and payable within one year		
Bonds payable	5,005,000	4,700,000
Compensated absences payable	2,147,882	1,292,320
Other postemployment benefits payable	259,801,252	216,228,088
Net pension liability	4,246,897	4,914,489
<b>Other liabilities</b>		
Bonds payable	20,440,000	18,485,000
<b>Total Liabilities</b>	<b>\$ 312,816,788</b>	<b>\$ 273,803,433</b>
 <b>DEFERRED INFLOW OF RESOURCES</b>		
Unamortized bond premium	\$ 3,218,595	\$ 1,786,456
Economic gain on defeasance of debt	233,290	202,270
Pensions	7,485,058	5,610,451
Other post employment benefits (OPEB)	31,208,072	42,584,184
<b>Total Deferred Inflow of Resources</b>	<b>\$ 42,145,015</b>	<b>\$ 50,183,361</b>
 <b>NET POSITION</b>		
Investment in capital assets, net of related debt	\$ 75,150,863	\$ 69,327,874
Restricted	14,862,199	13,967,221
Unrestricted (deficit)	(248,701,120)	(241,515,446)
<b>Total Net Position</b>	<b>\$ (158,688,058)</b>	<b>\$ (158,220,351)</b>

See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020**

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	2021	2020
<b>FUNCTIONS/PROGRAMS</b>						
General support	\$ (11,308,530)	\$ (4,050,723)	\$ -	\$ 542,136	\$ (14,817,117)	\$ (13,472,767)
Instruction	(44,655,982)	(25,889,412)	287,222	3,560,941	(66,697,231)	(60,548,834)
Pupil transportation	(1,622,295)	(1,318,263)	-	-	(2,940,558)	(2,878,672)
Employee benefits	(27,765,434)	27,765,434	-	-	-	-
Debt service	(1,075,301)	-	-	-	(1,075,301)	(1,409,083)
Depreciation	(3,988,673)	3,988,673	-	-	-	-
Scholarships	(6,320)	-	-	20	(6,300)	-
School food service	(1,605,899)	(495,709)	28,179	1,803,810	(269,619)	(1,703,282)
<b>Total Functions and Programs</b>	<b>\$ (92,028,434)</b>	<b>\$ -</b>	<b>\$ 315,401</b>	<b>\$ 5,906,907</b>	<b>\$ (85,806,126)</b>	<b>(80,012,638)</b>
<b>GENERAL REVENUES</b>						
Real property taxes	\$ 36,332,989	\$ -	\$ -	\$ -	\$ 36,332,989	\$ 35,795,076
Other tax items	6,097,035	-	-	-	6,097,035	6,384,740
Use of money and property	627,059	-	-	-	627,059	985,449
Sale of property and compensation for loss	51,440	-	-	-	51,440	30,136
Miscellaneous	1,714,364	-	-	-	1,714,364	1,880,895
State sources	39,781,509	-	-	(1,113,710)	38,667,799	40,782,514
Federal sources	5,823,716	-	-	(4,300,256)	1,523,460	2,633,767
Local sources	492,941	-	-	(492,941)	-	-
Medicaid reimbursement	109,944	-	-	-	109,944	185,771
<b>Total General Revenues</b>	<b>\$ 91,030,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,906,907)</b>	<b>85,124,090</b>	<b>88,678,348</b>
Change in Net Position					(682,036)	8,665,710
Total Net Position - Beginning of Year					(158,220,351)	(166,941,227)
Prior Period Adjustment *					214,329	55,166
Total Net Position - End of Year					<b>\$ (158,688,058)</b>	<b>\$ (158,220,351)</b>

\* See Notes to Financial Statements Note 17

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See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020**

	Major			Total Non-Major Funds	Total Governmental Funds	
	General	2019 Project	2018 Project		2021	2020
<b>ASSETS</b>						
<b>Cash</b>						
Unrestricted	\$ 5,292,794	\$ 2,045,961	\$ 190,792	\$ 2,921,789	\$ 10,451,336	\$ 12,161,338
Restricted	12,381,242	-	-	208,198	12,589,440	11,695,552
<b>Receivables</b>						
Due from other funds	915,606	-	-	19	915,625	1,033,049
Due from fiduciary funds	-	-	-	-	-	1,220
State and Federal aid	2,118,380	-	-	1,294,141	3,412,521	2,499,836
Due from other governments	2,391,109	-	-	-	2,391,109	2,142,411
Other	266,575	-	-	5,613	272,188	125,854
Inventories	-	-	-	76,628	76,628	87,722
Total Assets	<u>\$ 23,365,706</u>	<u>\$ 2,045,961</u>	<u>\$ 190,792</u>	<u>\$ 4,506,388</u>	<u>\$ 30,108,847</u>	<u>\$ 29,746,982</u>
<b>LIABILITIES</b>						
<b>Payables</b>						
Accounts payable	\$ 2,080,460	\$ 44,493	\$ 178	\$ 64,616	\$ 2,189,747	4,954,369
Accrued liabilities	276,862	-	-	4,228	281,090	147,019
Due to other funds	7,429	19	-	908,177	915,625	1,033,049
Due to fiduciary funds	-	-	-	-	-	5,127
Due to other governments	18	-	-	210	228	77
Due to Teachers' Retirement System	2,658,501	-	-	-	2,658,501	2,474,309
Due to Employees' Retirement System	252,406	-	-	-	252,406	229,878
<b>Notes payable</b>						
Bond anticipation	-	5,000,000	8,512,560	1,402,200	14,914,760	19,471,360
<b>Unearned credits</b>						
Unearned revenues	708,192	-	-	72,850	781,042	835,800
Total Liabilities	<u>5,983,868</u>	<u>5,044,512</u>	<u>8,512,738</u>	<u>2,452,281</u>	<u>21,993,399</u>	<u>29,150,988</u>
<b>FUND BALANCES</b>						
Non-spendable		-	-	76,629	76,629	87,721
Restricted	12,381,242	-	-	2,480,957	14,862,199	13,967,221
Committed	-	-	-	-	-	-
Assigned	1,723,251	1,805,723	-	763,381	4,292,355	4,069,196
Unassigned	3,277,345	(4,804,274)	(8,321,946)	(1,266,860)	(11,115,735)	(17,528,144)
Total Fund Balances	<u>17,381,838</u>	<u>(2,998,551)</u>	<u>(8,321,946)</u>	<u>2,054,107</u>	<u>8,115,448</u>	<u>595,994</u>
Total Liabilities and Fund Balances	<u>\$ 23,365,706</u>	<u>\$ 2,045,961</u>	<u>\$ 190,792</u>	<u>\$ 4,506,388</u>	<u>\$ 30,108,847</u>	<u>\$ 29,746,982</u>

See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020**

	Major		Total Non-Major Funds	Total Governmental Funds		
	General	2019 Project		2018 Project	2021	2020
<b>REVENUES</b>						
Real property taxes	\$ 36,332,989	\$ -	\$ -	\$ -	\$ 36,332,989	\$ 35,795,076
Other tax items	6,097,035	-	-	-	6,097,035	6,384,740
Charges for services	287,222	-	-	-	287,222	146,714
Use of money and property	210,823	-	-	5,384	216,207	510,206
Sale of property and compensation for loss	26,440	-	-	25,000	51,440	93,706
Miscellaneous	1,578,432	-	-	2,075,250	3,653,682	1,880,895
State sources	38,667,799	-	-	1,113,710	39,781,509	41,516,211
Medicaid reimbursement	109,944	-	-	-	109,944	185,771
Federal sources	1,523,460	-	-	4,141,277	5,664,737	5,180,857
Local sources	-	-	-	492,941	492,941	711,972
Surplus food	-	-	-	158,979	158,979	130,879
Sales - school lunch	-	-	-	28,179	28,179	240,950
<b>Total Revenues</b>	<b>84,834,144</b>	<b>-</b>	<b>-</b>	<b>8,040,720</b>	<b>92,874,864</b>	<b>92,777,977</b>
<b>EXPENDITURES</b>						
General support	11,206,809	-	-	235,390	11,442,199	10,291,587
Instruction	41,355,681	-	-	3,433,679	44,789,360	45,480,158
Pupil transportation	1,617,729	-	-	4,566	1,622,295	1,830,416
Employee benefits	22,724,713	-	-	398,280	23,122,993	22,402,579
<b>Debt service</b>						
Principal	6,305,600	-	-	1,486,000	7,791,600	6,147,600
Interest	923,416	-	-	119,499	1,042,915	1,427,969
Scholarships	-	-	-	6,320	6,320	-
Cost of sales	-	-	-	1,605,899	1,605,899	1,736,224
Capital outlay	-	2,870,538	621,983	639,930	4,132,451	8,042,706
<b>Total Expenditures</b>	<b>84,133,948</b>	<b>2,870,538</b>	<b>621,983</b>	<b>7,929,563</b>	<b>95,556,032</b>	<b>97,359,239</b>
Excess (Deficiency) of Revenues Over Expenditures	<u>700,196</u>	<u>(2,870,538)</u>	<u>(621,983)</u>	<u>111,157</u>	<u>(2,681,168)</u>	<u>(4,581,262)</u>
<b>OTHER FINANCING SOURCES AND USES</b>						
Proceeds from debt	-	-	285,000	9,731,600	10,016,600	1,287,600
Proceeds of refunding bonds	-	-	-	4,360,000	4,360,000	-
Payment to refunded bond escrow agent	-	-	-	(4,390,307)	(4,390,307)	-
Operating transfers in	6,145	-	150,000	165,918	322,063	1,564,523
Operating transfers (out)	(161,480)	-	-	(160,583)	(322,063)	(1,564,523)
<b>Total Other Sources (Uses)</b>	<b>(155,335)</b>	<b>-</b>	<b>435,000</b>	<b>9,706,628</b>	<b>9,986,293</b>	<b>1,287,600</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	<u>544,861</u>	<u>(2,870,538)</u>	<u>(186,983)</u>	<u>9,817,785</u>	<u>7,305,125</u>	<u>(3,293,662)</u>
Fund Balances - Beginning of Year	<u>16,836,977</u>	<u>(128,013)</u>	<u>(8,134,963)</u>	<u>(7,978,007)</u>	<u>595,994</u>	<u>3,889,656</u>
Reclassified per GASB 84	-	-	-	214,329	214,329	-
Fund Balances - End of Year	<u>\$ 17,381,838</u>	<u>\$ (2,998,551)</u>	<u>\$ (8,321,946)</u>	<u>\$ 2,054,107</u>	<u>\$ 8,115,448</u>	<u>\$ 595,994</u>

See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
<b>Cash</b>				
Unrestricted	\$ 10,451,336	\$ -	\$ -	\$ 10,451,336
Restricted investments	12,589,440	-	-	12,589,440
<b>Receivables</b>				
Due from other funds	915,625	-	(915,625)	-
Due from fiduciary funds	-	-	-	-
State and Federal aid	3,412,521	-	-	3,412,521
Due from other governments	2,391,109	55,166	-	2,446,275
Other	272,188	-	-	272,188
Inventories	76,628	-	-	76,628
Prepaid expenditures	-	-	-	-
Proportion of net pension asset	-	-	-	-
Capital assets, net	-	111,260,201	-	111,260,201
	<u>30,108,847</u>	<u>111,315,367</u>	<u>(915,625)</u>	<u>140,508,589</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pensions	-	18,360,300	-	18,360,300
Other post employment benefits (OPEB)	-	37,404,856	-	37,404,856
Total Deferred Outflow of Resources	-	<u>55,765,156</u>	-	<u>55,765,156</u>
<b>LIABILITIES</b>				
<b>Payables</b>				
Accounts payable	\$ 2,189,747	\$ -	\$ -	\$ 2,189,747
Accrued liabilities	281,090	97,983	-	379,073
Due to other funds	915,625	-	(915,625)	-
Due to fiduciary funds	-	-	-	-
Due to other governments	228	-	-	228
Due to Teachers' Retirement System	2,658,501	-	-	2,658,501
Due to Employees' Retirement System	252,406	-	-	252,406
<b>Notes payable</b>				
Bond anticipation	14,914,760	-	-	14,914,760
<b>Deferred credits</b>				
Unearned revenues	781,042	-	-	781,042
<b>Long-term liabilities</b>				
Bonds payable	-	25,445,000	-	25,445,000
Compensated absences payable	-	2,147,882	-	2,147,882
Other postemployment benefits payable	-	259,801,252	-	259,801,252
Proportionate share of pension liability	-	4,246,897	-	4,246,897
	<u>21,993,399</u>	<u>291,739,014</u>	<u>(915,625)</u>	<u>312,816,788</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unamortized bond premium	-	3,218,595	-	3,218,595
Economic gain on defeasance of debt	-	233,290	-	233,290
Pensions	-	7,485,058	-	7,485,058
Other post employment benefits (OPEB)	-	31,208,072	-	31,208,072
Total Deferred Inflow of Resources	-	<u>42,145,015</u>	-	<u>42,145,015</u>
<b>FUND EQUITY\NET POSITION</b>				
Investment in capital assets, net	-	85,815,201	-	85,815,201
<b>Restricted for:</b>				
Debt service	2,272,759	-	-	2,272,759
Other legal restrictions	12,589,440	-	-	12,589,440
Unrestricted (deficit)	<u>(6,746,751)</u>	<u>(252,618,707)</u>	-	<u>(259,365,458)</u>
Total Net Position	<u>\$ 8,115,448</u>	<u>\$ (166,803,506)</u>	<u>\$ -</u>	<u>\$ (158,688,058)</u>

See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN  
FUND EQUITY TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-Term Debt Transactions	Statement of Activities Totals
<b>REVENUES</b>					
Real property taxes	\$ 36,332,989	\$ -	\$ -	\$ -	\$ 36,332,989
Other tax items	6,097,035	-	-	-	6,097,035
Charges for services	287,222	-	-	-	287,222
Use of money and property	216,207	-	-	410,852	627,059
Sale of property and compensation for loss	51,440	-	-	-	51,440
Miscellaneous	3,653,682	-	-	(1,939,318)	1,714,364
State sources	39,781,509	-	-	-	39,781,509
Medicaid reimbursement	109,944	-	-	-	109,944
Federal sources	5,664,737	-	-	-	5,664,737
Local sources	492,941	-	-	-	492,941
Surplus food	158,979	-	-	-	158,979
Sales - school lunch	28,179	-	-	-	28,179
<b>Total Revenues</b>	<b>92,874,864</b>	<b>-</b>	<b>-</b>	<b>(1,528,466)</b>	<b>91,346,398</b>
<b>EXPENDITURES\EXPENSES</b>					
General support	11,442,199	-	(133,669)	-	11,308,530
Instruction	44,789,360	-	(133,378)	-	44,655,982
Pupil transportation	1,622,295	-	-	-	1,622,295
Employee benefits	23,122,993	-	-	4,642,441	27,765,434
<b>Debt service</b>					
Principal	7,791,600	-	-	(7,791,600)	-
Interest	1,042,915	-	-	32,386	1,075,301
Scholarships	6,320	-	-	-	6,320
Cost of sales	1,605,899	-	-	-	1,605,899
Depreciation	-	-	3,988,673	-	3,988,673
Capital outlay	4,132,451	-	(4,132,451)	-	-
<b>Total Expenditures</b>	<b>95,556,032</b>	<b>-</b>	<b>(410,825)</b>	<b>(3,116,773)</b>	<b>92,028,434</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,681,168)	-	410,825	1,588,307	(682,036)
<b>OTHER SOURCES AND USES</b>					
Proceeds from debt	10,016,600	-	-	(14,376,600)	(4,360,000)
Proceeds of refunding bonds	4,360,000	-	-	-	4,360,000
Payments to refunded bond escrow agent	(4,390,307)	-	-	4,390,307	-
Operating transfers in	322,063	-	-	-	322,063
Operating transfers (out)	(322,063)	-	-	-	(322,063)
<b>Total Other Sources (Uses)</b>	<b>9,986,293</b>	<b>-</b>	<b>-</b>	<b>(9,986,293)</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ 7,305,125</b>	<b>\$ -</b>	<b>\$ 410,825</b>	<b>\$ (8,397,986)</b>	<b>\$ (682,036)</b>

See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2021**

	Custodial Trust 2021
<b>ASSETS</b>	
Cash	\$ -
Restricted cash	162,632
Due from other funds	-
Total Assets	<b>\$ 162,632</b>
 <b>LIABILITIES</b>	
Due to other funds	\$ -
Other liabilities	-
Total Liabilities	-
 <b>NET POSITION</b>	 <b>\$ 162,632</b>

See independent auditors' report and notes to financial statements

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Union-Endicott Central School District (the "District") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

**A) Reporting entity:**

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

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

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

**i) Extraclassroom Activity Funds**

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

## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### **B) Joint venture:**

The District is a component district in the Broome-Tioga Board of Cooperative Educational Services ("BOCES"). 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.

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

During the year, the District was billed \$16,071,124 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$6,311,765.

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

#### **C) Basis of presentation:**

##### **i) District-wide statements:**

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

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function.

See independent auditors' report

## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### i) **Funds statements:**

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

#### **The District reports the following major governmental funds:**

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

**Capital Projects Funds:** These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

All remaining governmental funds are aggregated and reported as non-major funds.

#### **The District reports the following fiduciary funds:**

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

There are two classes of fiduciary funds:

**Private purpose trust funds:** These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. A scholarship is an example of a Private-Purpose Trust Fund. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### **D) Measurement focus and basis of accounting:**

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety (90) days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, claims and judgments, and compensated absences, pensions, and other post-employment benefits 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 resources.

### **E) Property taxes:**

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1, 2020 through March 31, 2021. Uncollected real property taxes are subsequently enforced by the Counties in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

### **F) Restricted resources:**

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

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### **G) Inter-fund transactions:**

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

In the district-wide statements, the amounts reported on the Statement of Net Position for inter-fund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all inter-fund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 11 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures, and revenues activity.

### **H) Estimates:**

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

### **I) Cash and investments:**

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

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

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

See independent auditors' report

## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

**J) Accounts receivable:**

Accounts receivable are shown net of an allowance for uncollectible accounts, when applicable. An allowance for uncollectible accounts represents the portion of accounts receivable that is not expected to be collected within 365 days. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**K) Inventories and prepaid items:**

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of 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 District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

**L) Other assets/restricted assets:**

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

**M) Capital assets:**

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2005. For assets acquired prior to June 30, 2005, they are reported at estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

See independent auditors' report

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	SL	40
Building improvements	5,000	SL	25
Site improvements	5,000	SL	25
Furniture and equipment	5,000	SL	5-15

### **N) Deferred outflows and inflows of resources:**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be reciprocated as an outflow of resources (expense/expenditures) until then. If applicable, The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net position liability (ERS System) and difference during the measurement periods between the District's contributions and its proportional share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### **O) PENSION OBLIGATIONS:**

New York State and Local Employees' Retirement System (ERS) and the New **York State Teachers' Retirement System (TRS) (the Systems)**.

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS) The 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. 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 Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information 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).

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a costsharing 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 New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. 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.

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**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>	<u>TRS</u>
2020-2021	\$887,174	\$2,475,112
2019-2020	\$882,755	\$2,874,387
2018-2019	\$865,022	\$2,588,831

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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

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

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation date	04-01-20	06-30-19
Net pension asset/(liability)	(\$17,642)	(4,229,255)
District's portion of the plan's		
Total net pension asset/(liability)	0.177179%	0.153053%

For the year ended June 30, 2021, the District recognized its proportionate share of pension expense of \$521,179 for ERS and the actuarial value \$5,696,695 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 215,462	\$ 3,705,674	\$ -	\$ 216,741
Changes in assumptions	3,243,872	5,349,023	61,180	1,906,647
Net difference between projected and actual earnings on pension plan investments	-	2,762,074	5,067,946	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	308,265	65,184	94,160	138,384
District's contributions subsequent to the Measurement date	<u>252,406</u>	<u>2,458,337</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,020,005</u>	<u>\$ 14,340,292</u>	<u>\$ 5,223,286</u>	<u>\$ 2,261,772</u>

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2022, for ERS and June 30, 2021 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b><u>NYSERS</u></b>	<b><u>NYSTRS</u></b>
<b>Year ended:</b>		
2021	-	1,650,157
2022	(209,420)	3,328,430
2023	( 45,784)	2,712,594
2024	(236,929)	1,665,759
2025	(963,551)	67,035
2026	-	-
Thereafter	-	196,208

See independent auditors' report

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### Actuarial Assumptions

	<u>ERS</u>	<u>TRS</u>
Measurement date	03-31-21	06-30-20
Actuarial valuation date	04-01-20	06-30-19
Interest rate	6.8%	7.10%
Salary Scale	4.4%	2.20%
Decrement tables	Based on FY 2016- 2020 experience	Based on 2009- 2014 experience
Inflation rate	2.7%	2.2%
Projected Cost of Living Adjustments	1.4%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2021 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-202018. For TRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

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

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

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

<u>ERS</u>	<u>Target Allocation</u> <u>2020</u>	<u>Long-term expected</u> <u>Real rate of return*</u> <u>2020</u>
Asset Class:		
Domestic equities	32.00%	4.05%
International equities	15.00%	6.30%
Private Equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/Absolute return strategies (1)	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	0.50%
Total	100.00%	

\* Real rates of return are net of the long-term inflation assumption of 2.5% for 2020

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic and international equities, respectively.

<u>TRS</u>	<u>Target Allocation</u> <u>2020</u>	<u>Long-term expected</u> <u>Real rate of return*</u> <u>2020</u>
Asset Class:		
Domestic equities	33.00%	7.10%
International equities	16.00%	7.70%
Global equities	4.00%	7.40%
Real estate	11.00%	6.80%
Private equities	8.00%	10.40%
Domestic fixed income securities	16.00%	1.80%
Global bonds	2.00%	1.00%
Private debt	1.00%	5.20%
Real estate debt	7.00%	3.60%
High-yield bonds	1.00%	3.90%
Cash equivalents	<u>1.00%</u>	0.70%
Total	100.00%	

*Discount Rate*

The discount rate used to calculate the total pension asset/(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 that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability)

See independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

ERS	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employer's proportionate share of the net pension (asset) liability	\$4,896,853	\$17,642	\$1,133,780
TRS	1% Decrease <u>(6.10%)</u>	Current Assumption <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
Employer's proportionate share of the net pension (asset) liability	\$26,714,747	\$4,229,255	(\$14,641,771)

*Changes of Assumptions*

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

*Collective Pension Expense*

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2021, is \$521,179 for ERS and \$5,696,695 for TRS.

*Payables to the Pension Plan*

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021, represent the projected employer contribution for the period of April 1, 2021, through June 30, 2021, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021, amounted to \$252,406.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021, are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021, represent employee and employer contributions for the fiscal year ended June 30, 2021, based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021, amounted to \$2,658,501.

**P) UNEARNED CREDITS:**

The District reports unearned credits on its statement of net position and its balance sheet. On the statement of net position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In

See independent auditors' report

## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

subsequent periods, when the District has legal claim to the resources, the liability for unearned credits is removed and revenue is recorded.

#### **Q) Vested employee benefits:**

##### **Compensated absences**

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

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

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

In the fund 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.

#### **R) Other benefits:**

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

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**S) Short-term debt:**

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), 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. The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

Bond Anticipation Notes

The following is a summary of changes in short-term debt for the year ended June 30, 2021:

Balance July 1, 2020	\$19,471,360
Increases	14,914,760
Decreases	<u>(19,471,360)</u>
Balance June 30, 2021	<u>14,914,760</u>

**T) 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 full, in a timely manner, from current financial resources. Claims and judgments, other-post employment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### U) Equity classifications:

#### District-wide statements:

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

**Net investment in capital assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

**Unrestricted net position** - the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

#### Funds statements:

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

**Non-spendable** - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of \$76,629 and prepaid expenses of \$0 in the General Fund.

**Restricted** - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has established the following restricted fund balances:

#### **Debt Service Reserve Fund**

According to General Municipal Law §6-I, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

#### **Capital Reserve Fund**

According to Education Law §3651, expenditures made from the capital reserve fund must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be

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## **UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

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.

#### **Unemployment Insurance Payment Reserve Fund**

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

#### **Employee Benefits and Accrued Liability Reserve Fund**

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

#### **Retirement Contribution Reserve Fund**

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

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# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### Tax Certiorari Reserve Fund

According to Education Law §3651.1-a, funds must be 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 that 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.

### Encumbrances

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

Restricted fund balance includes the following:

<b>General Fund</b>	
Capital Reserve	\$ 5,234,416
Employee Benefits and Accrued Liabilities	893,475
Retirement Contributions	3,951,834
Retirement Contribution Sub-Fund	1,536,109
Tax Certiorari	590,000
Unemployment Insurance	175,408
Capital Projects Fund*	-
Debt Service Fund*	2,272,759
School Food Service Fund*	-
Miscellaneous Special Revenue	<u>208,198</u>
Total restricted funds	<u>\$ 14,862,199</u>

\*includes remaining fund balance in these funds not otherwise classified as non-spendable, committed or assigned.

**Committed** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2021.

**Assigned** – Includes amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also

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# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$223,250. Appropriated fund balance in the General Fund amounted to \$1,500,000. Any remaining fund balance in other funds is considered assigned. The school lunch fund also reports assigned fund balance of \$763,381. As of June 30, 2021, the District's General Fund encumbrances were classified as follows:

General Support	\$ 74,184
Instruction	144,745
Pupil Transportation	<u>4,311</u>
Total	<u>\$223,250</u>

**Unassigned** – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

### **Net Position/Fund Balance**

#### **Net Position Flow Assumption:**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

#### **Fund Balance Flow Assumption:**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

#### **Order of Use of Fund Balance:**

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted

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## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General fund are classified as restricted fund balance. In the General fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

#### **V) Implementation of New Accounting Standards**

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

GASB issued Statement No. 84 Fiduciary Activities, effective for the year ending June 30, 2021.

GASB has issued Statement No. 90, Accounting and Financial Reporting for Majority Equity Interest, effective for the year ending June 30, 2021.

#### **W) Future Changes in Accounting Standards**

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

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. 91, Conduit Debt Obligations, effective for the year ending June 30, 2023.

GASB has issued Statement No. 92, Omnibus 2020, effective for the year ending June 30, 2022.

GASB has issued Statement No. 93, Replacement of Interbank Offered Rates, effective for the year ending June 30, 2021 (paragraphs 11b, 13, and 14 are effective for the year ending June 30, 2022).

GASB has issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96 - Subscription-Based Information Technology Arrangements, effective for the year ending June 30, 2023.

GASB has issued Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other

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# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

employee benefit plans, and paragraph 5 were effective as of June 2020).

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

### **NOTE 2: EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS**

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

#### **A) Total fund balances of governmental funds vs. net position of governmental activities:**

Total fund balances of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

#### **B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:**

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

##### **i) Long-term revenue differences:**

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

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##### **ii) Capital related differences:**

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the

difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

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# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### Long-term debt transaction differences:

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

### ii) Pension differences:

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

### iii) OPEB differences:

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

### NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES:

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, Fiduciary Activities. The implementation of the statement establishes criteria for identifying activities of all school districts. The impact of the standard was to increase both assets and liabilities for liabilities previously reported in Trust and Agency Funds. The District also created fiduciary fund Custodial Trust funds for Scholarship funds that were previously considered Private Purpose Trust funds.

### NOTE 4: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal 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:

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**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Carryover Encumbrances	\$ 282,868
Other Unanticipated Revenue	5,244
Use of Capital Reserve	1,121,520

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

General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2021.

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

**Encumbrances**

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

**Deficit fund balance**

The capital projects fund had a deficit fund balance of \$12,587,357. This will be funded when the District obtains permanent financing for its current construction projects.

**NOTE 5: CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS**

**Cash and investments**

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District’s investment policies, as discussed previously in these Notes.

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

<b>A)</b> Uncollateralized	\$ -
<b>B)</b> Collateralized with securities held by the pledging financial institution, or trust department or agent, but not in the District’s name	\$ 22,779,799

Restricted cash and investments represent cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for

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## UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

various purposes. Restricted cash as of year-end includes \$12,381,242 restricted for various fund balance reserves in the general fund, and \$208,198 restricted for scholarships and \$162,631 restricted for extraclassroom activity funds in the fiduciary fund.

#### Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2021 all deposits were fully insured and collateralized by the District's agent in the District's name.

#### Investment and deposit policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

#### Credit risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

#### Custodial risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6: CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Adjustments</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>					
<b>Capital assets that are not depreciated:</b>					
Land	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Construction in progress	23,629,188	3,676,888	-	(2,179,326)	25,126,750
Total non-depreciable historical cost	<u>23,979,188</u>	<u>3,676,888</u>	<u>-</u>	<u>(2,179,326)</u>	<u>25,476,750</u>
<b>Capital assets that are depreciated:</b>					
Buildings	\$ 133,895,238	\$ 2,230,942	\$ -	\$ -	\$ 136,126,180
Furniture and equipment	12,097,973	670,994	(343,567)	-	12,425,400
Total depreciable historical cost	<u>145,993,211</u>	<u>2,901,936</u>	<u>(343,567)</u>	<u>-</u>	<u>148,551,580</u>
Total non-depreciable and depreciable costs	<u>169,972,399</u>	<u>6,578,824</u>	<u>(343,567)</u>	<u>(2,179,326)</u>	<u>174,028,330</u>
<b>Less accumulated depreciation:</b>					
Buildings	\$ 50,330,343	\$ 3,390,983	\$ -	\$ -	\$ 53,721,326
Furniture and equipment	8,792,680	595,475	(343,567)	2,215	9,046,803
Total accumulated depreciation	<u>59,123,023</u>	<u>3,986,458</u>	<u>(343,567)</u>	<u>2,215</u>	<u>62,768,129</u>
Total depreciable historical cost, net	<u>\$ 110,849,376</u>	<u>\$ 2,592,366</u>	<u>\$ -</u>	<u>\$ (2,181,541)</u>	<u>\$ 111,260,201</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 1,158,812
Instruction	2,361,018
Pupil Transportation	433,642
Cost of Goods Sold	32,986
	<u>\$ 3,986,458</u>

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**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7: SHORT-TERM DEBT**

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

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
10/22/2020	2.00%	\$ 1,392,800	\$ -	\$ (1,392,800)	\$ -
6/25/2021	1.25%	\$ 18,078,560	\$ -	\$ (18,078,560)	\$ -
10/21/2021	0.63%	\$ -	\$ 1,402,200	\$ -	\$ 1,402,200
7/30/2021	1.50%	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
6/24/2022	1.25%	\$ -	\$ 8,512,560	\$ -	\$ 8,512,560

**Interest on short-term debt for the year was composed of:**

Interest paid	\$ 253,838
Plus interest accrued in current year	50,999
Less interest accrued in prior year	<u>(22,328)</u>
Total interest on short-term debt	<u>\$ 282,509</u>

**NOTE 8: LONG-TERM OBLIGATIONS**

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

**Serial Bonds**

The School District borrows money in order to acquire land or equipment, construct buildings, or make 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. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

**Interest on long-term debt for the year was composed of:**

Interest paid	\$ 789,077
Plus interest accrued in current year	46,984
Less interest accrued in prior year	<u>(43,269)</u>
Total interest on long-term debt	<u>\$ 792,792</u>

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Noncurrent liability balances and activity for the year are as follows:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Long-Term Liabilities:</b>					
Bonds and notes payable	\$ 23,185,000	\$ 11,310,000	\$ 9,050,000	\$ 25,445,000	\$ 5,005,000
General obligation debt	-	-	-	-	-
Total Long-Term Liabilities	<u>23,185,000</u>	<u>11,310,000</u>	<u>9,050,000</u>	<u>25,445,000</u>	<u>5,005,000</u>
<b>Other Long-Term Liabilities:</b>					
Compensated absences payable	1,292,320	855,562	-	2,147,882	-
Other post-employment benefits obligation	216,228,088	43,573,164	-	259,801,252	-
Proportionate share of net pension liability	4,914,489	4,229,255	4,896,847	4,246,897	-
Total other liabilities	<u>222,434,897</u>	<u>48,657,981</u>	<u>4,896,847</u>	<u>266,196,031</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 245,619,897</u>	<u>\$ 59,967,981</u>	<u>\$ 13,946,847</u>	<u>\$ 291,641,031</u>	<u>\$ 5,005,000</u>

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

Bonds payable is comprised of the following:

<b>Description of issue</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Outstanding at Year End</b>
Serial Bonds	2012	2027	3.00-5.00%	\$ 3,460,000
Serial Bonds	2014	2025	2.00-2.75%	4,140,000
Serial Bonds	2015	2022	2.00-4.00%	1,360,000
Serial Bonds	2017	2025	1.25-4.00%	1,090,000
Serial Bonds	2017	2032	3.00-5.00%	4,110,000
Serial Bonds	2021	2033	4.00-5.00%	6,950,000
Serial Bonds	2021	2027	1.00-5.00%	4,335,000

The following is a summary of debt service requirements for bonds payable:

<b>Fiscal year ended:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
June 30, 2022	\$ 5,005,000	\$ 1,041,263	\$ 6,046,263
2023	3,845,000	794,856	4,639,856
2024	3,960,000	676,550	4,636,550
2025-2029	8,850,000	1,936,250	10,786,250
2030-2033	<u>3,785,000</u>	<u>428,650</u>	<u>4,213,650</u>
	<u>\$ 25,445,000</u>	<u>\$ 4,877,569</u>	<u>\$ 30,322,569</u>

**Defeased Debt**

On March 25, 2021, the School District issued \$4,360,000 in general obligation bonds with an average interest rate of 3.2% to advance refund \$4,325,000 of outstanding 2013 serial bonds with an average interest rate of 5.0%. The net proceeds of \$4,390,307 (after bond premium of \$113,229 payment of \$82,923 in underwriting fees, insurance, and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an

See independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

escrow agent to provide for all future debt service payments on the bonds.

As a result, a portion of the 2016 serial bonds are considered to be defeased, and the liability for those bonds has been removed from the School District's financial statements. At June 30, 2021, the balance of the advance refunded bonds was \$4,325,000. The economic gain (loss) on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$188,000.

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$11,912,000 of bonds outstanding is considered defeased. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$72,472.

**NOTE 9: PENSION PLANS**

**General Information**

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of services and final average salary, vesting of retirement benefits, death and disability. See Note 1(O)-Summary of Significant Accounting Policies for further plan details.

**NOTE 10: UNRESTRICTED NET POSITION:**

Unrestricted net position in the general fund consists of the following at June 30, 2021

Designated for subsequent year's expenditures	\$1,500,000
Reserve for encumbrances	223,250
Unreserved	<u>3,277,345</u>
Total unrestricted fund balance	<u>\$5,000,596</u>

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11: INTER-FUND TRANSACTIONS – GOVERNMENTAL FUNDS**

**Inter-fund transactions and balances are as follows:**

	<u>Inter-fund</u>		<u>Inter-fund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 915,606	\$ 7,429	\$ 6,145	\$ 161,480
Special Aid	-	908,142	27,304	150,000
School Food Service	-	35	-	-
Capital Projects	-	19	284,176	4,438
Debt Service	<u>19</u>	<u>-</u>	<u>4,438</u>	<u>6,145</u>
Total government funds	<u>\$ 915,625</u>	<u>\$ 915,625</u>	<u>\$ 322,063</u>	<u>\$ 322,063</u>

Inter-fund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically transfers from the General Fund to the Special Aid Fund, to fund the local share of the Section 4408, Summer School Handicapped Program.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All inter-fund payables are expected to be repaid within one year.

**NOTE 12: POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE) OBLIGATION PAYABLE**

**Plan description**

The District administers a defined benefit OPEB plan that provides OPEB for permanent full-time general employees of the District. The plan is a single employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District’s Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Funding Policy**

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2021 approximately \$6,658,232 was paid on behalf of 612 retirees.

**Benefits Provided** – The District provides for continuation of medical and /or Medicare Part B benefits for certain retirees, their spouses receive benefits for the lifetime of the retired employee. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

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

Inactive plan members or beneficiaries currently receiving benefit payments	559
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>714</u>
Total plan members	<u>1,273</u>

**A) Net OPEB Liability**

The District’s total OPEB liability of \$259,801,252 was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	2.21 percent
Healthcare cost trend rates	8.0 percent to 4.04 percent over 69 years

The discount rate was based on the 20-year high -quality tax-exempt municipal bond index as of the measurement date.

Mortality rates were based on the RPH-2014, as appropriate, and projected forward with Scale MP-2020.

Retirement participation rate assumed that 85% of eligible Teachers and

See independent auditors’ report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Instructional Administrators and 75% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 48% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement

**C) Changes in the Total OPEB Liability**

Balance at July 1, 2019	\$216,28,088
<u>Changes for the Year:</u>	
Service cost	7,412,296
Interest	7,725,044
Changes of benefit terms	-
Differences between expected and actual experience	(3,708,817)
Changes in assumptions or other inputs	37,994,274
Benefit payment (including implicit subsidy)	<u>(5,849,633)</u>
<b>Net change in total OPEB liability</b>	<b><u>43,573,164</u></b>
 Balance at July 1, 2020	 <u><b>\$259,801,252</b></u>

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

*Sensitivity of the Total OPEB liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Total OPEB liability	\$ 309,329,481	\$ 259,801,252	\$ 220,705,518

*Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 216,420,801	\$ 259,801,252	\$ 316,672,917

See independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**D) OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources related to OPEB**

For the year ended June 30, 2020, the District recognized OPEB expense of \$154,940. At June 30, 2020, the 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	\$ -	\$( 16,436,506)
Changes of assumptions or other inputs	31,187,576	(14,771,566)
Employer Contributions subsequent to the measurement date	<u>6,217,280</u>	<u>-</u>
Total	<u>\$ 37,404,856</u>	<u>\$(31,208,072)</u>

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	\$ (7,981,318)
2023	(4,233,364)
2024	3,278,988
2025	6,375,536
2026	2,539,662
2027 and Thereafter	-

**NOTE 13: RISK MANAGEMENT**

**General**

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

**Consortiums and self-insured plans**

The District participates in the Broome-Tioga, Delaware Health Insurance, a non-consortium-risk-retained public entity risk pools for its employee health and accident insurance coverage. The pool is operated for the benefit of seventeen individual governmental units located within the pools geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to \$1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$1,000,000 limit, and the District has essentially transferred all related risk to the pool. At June 30, 2020, the estimated Incurred But Not Reported (INBR) amount for claims to be paid in 2020/21 is \$1,413,385.

# UNION-ENDICOTT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 14: FUND BALANCES**

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

### **NOTE 15: COMMITMENTS AND CONTINGENCIES**

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

### **NOTE 16: TAX ABATEMENTS**

The County of Broome enters various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by \$72,066. The District received payment in lieu of tax (PILOT) payments totaling \$87,668.

### **NOTE 17: PRIOR PERIOD ADJUSTMENT**

There is a prior period adjustment for receivables from New York State which pertain to prior years, for which no payment date is available. This adjustment has been added to fund balance as it would have been prior years' revenue had the funds been available.

As a result of the implementation this year of Governmental Accounting Standards Board Statement Number 84, Fiduciary Activities, certain scholarship accounts were recategorized from fiduciary in nature to other special revenue funds. As a result, beginning fund balance was increased by \$214,329 to reflect the beginning balance in cash from the transfer.

### **NOTE 18: SUBSEQUENT EVENTS**

The District has evaluated events through October 14, 2021, which is the date the financial statements are available to be issued, for possible disclosure and recognition in the financial statements. On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact revenue and the COVID-19 pandemic has created a high degree of uncertainty. Since a large percentage of the District's revenues are obtained through federal and state funding, the District will adjust and update the budget in conjunction with changes to these funding sources. There has been a reduction in state aid thus far and New York State may continue to adjust state aid in the 2021-22 fiscal year. If state revenues are below projections and the federal government does not provide additional aid to the state, then a reduction in aid to school districts may continue. The implications of COVID-19 will be long term; we expect changes to federal and state funding. The extent of these adjustments are unknown at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN OPEB LIABILITY,  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS-NYSLRS,  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
NYSLRS PENSION PLAN,  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS-NYSTRS,  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY/(ASSET)-NYSTRS PENSION PLAN,  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE BUDGET  
(NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**

**AND**

**SUPPLEMENTARY INFORMATION**

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
LAST FOUR FISCAL YEARS**

	<b>JUNE 30, 2021</b>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 7,412,296	\$ 7,631,740	\$ 8,735,735	\$ 11,318,591
Interest	7,725,044	8,196,287	8,788,092	7,614,645
Changes of benefit terms	-	(1,342,610)	-	-
Difference between expected and actual experience	(3,708,817)	-	(30,252,799)	-
Changes of assumptions	37,994,274	364,547	(13,113,241)	(34,366,830)
Benefit payments	<u>(5,849,633)</u>	<u>(5,560,998)</u>	<u>(5,193,182)</u>	<u>(4,907,640)</u>
<b>Net change in total OPEB liability</b>	43,573,164	9,288,966	(31,035,395)	(20,341,234)
<b>Total OPEB liability - beginning</b>	<u>216,228,088</u>	<u>206,939,122</u>	<u>237,974,517</u>	<u>258,315,751</u>
<b>Total OPEB liability - ending</b>	<u>\$ 259,801,252</u>	<u>\$ 216,228,088</u>	<u>\$ 206,939,122</u>	<u>\$ 237,974,517</u>
<b>Covered payroll</b>	\$ 33,762,914	\$ 32,109,215	\$ 30,993,527	\$ 30,609,714
<b>Total OPEB liability as a % of covered payroll</b>	769.49%	673.41%	667.68%	777.45%

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

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
NYSLRS  
LAST 10 FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 1,217,681	\$ 1,309,618	\$ 1,087,379	\$ 1,066,724	\$ 1,104,311	\$ 919,993	\$ 855,039	\$ 859,430	\$ 865,022	\$ 882,755
Contributions in relation to the contractually required contribution	1,217,681	1,309,618	1,087,379	1,066,724	1,104,311	919,993	859,430	865,022	882,755	887,174
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered -employee payroll	7,631,412	7,156,345	6,466,581	5,983,363	6,058,968	5,813,840	5,950,697	6,199,537	6,444,928	6,606,641
Contributions as a percentage of covered-employee payroll	15.96%	18.30%	16.82%	17.83%	18.23%	15.82%	14.37%	13.86%	13.42%	13.36%

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
NYSLRS PENSION PLAN  
LAST SEVEN FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	\$ 638,709	\$ 3,101,118	\$ 1,730,248	\$ 618,827	\$ 1,337,489	\$ 4,914,489	\$ 17,642
District's proportionate share of the net pension liability	0.0189065%	0.0193213%	0.0184143%	0.0191739%	0.0188769%	0.0185588%	0.0177179%
District's covered-employee payroll	\$ 5,983,363	\$ 6,058,968	\$ 5,813,840	\$ 5,950,697	\$ 6,199,537	\$ 6,444,928	\$ 6,606,641
Plan fiduciary net position as a percentage of the total pension liability	97.90%	90.70%	94.70%	98.24%	96.27%	86.39%	99.95%

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
NYSTRS  
LAST 10 FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 2,116,359	\$ 2,622,518	\$ 3,704,574	\$ 3,676,931	\$ 4,000,230	\$ 3,064,399	\$ 2,795,022	\$ 2,436,377	\$ 2,714,653	\$ 2,301,639
Contributions in relation to the contractually required contribution	2,116,359	2,622,518	3,704,574	3,676,931	4,000,230	3,064,399	2,795,022	2,436,377	2,714,653	2,301,639
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered -employee payroll	23,798,607	22,760,645	23,365,591	23,536,326	24,049,396	24,533,203	25,729,891	26,486,115	26,766,620	26,686,250
Contributions as a percentage of covered-employee payroll	8.89%	11.52%	15.85%	15.62%	16.63%	12.49%	10.86%	9.20%	10.14%	8.62%

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)  
NYSTRS PENSION PLAN  
LAST SEVEN FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability (asset)	\$ (17,063,445)	\$ (15,778,879)	\$ 1,604,035	\$ (1,143,902)	\$ (2,759,873)	\$ (3,978,610)	\$ 4,229,255
District's proportionate share of the net pension liability (asset)	0.1531810%	0.1519130%	0.1497640%	0.1504940%	0.1526260%	0.1531410%	0.1530530%
District's covered-employee payroll	\$ 23,536,326	\$ 24,049,396	\$ 24,533,203	\$ 25,729,891	\$ 26,486,115	\$ 26,766,620	\$ 26,686,250
Plan fiduciary net position as a percentage of the total pension liability (asset)	110.46%	111.48%	99.10%	100.66%	101.53%	102.20%	97.80%

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
<b>REVENUES</b>				
<b>Local Sources</b>				
Real property taxes	\$ 36,888,511	\$ 36,888,511	\$ 36,332,989	\$ (555,522)
Other tax items	6,094,520	6,094,520	6,097,035	2,515
Charges for services	102,100	112,100	287,222	175,122
Use of money and property	210,163	200,163	210,823	10,660
Sale of property and compensation for loss	16,885	16,885	26,440	9,555
Miscellaneous	1,200,244	1,200,244	1,578,432	378,188
Total Local Sources	44,512,423	44,512,423	44,532,941	20,518
State sources	40,154,833	38,870,690	38,667,799	(202,891)
Federal sources	200,000	1,484,143	1,633,404	149,261
Total Revenues	84,867,256	84,867,256	84,834,144	(33,112)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	6,145	6,145	6,145	-
Appropriated fund balance	1,500,000	2,191,272	-	(2,191,272)
Appropriated reserves	\$ 282,867	1,634,930	-	(1,634,930)
Total Revenues and Other Financing Sources	\$ 86,656,268	\$ 88,699,603	\$ 84,840,289	\$ (3,859,314)

Budget basis of accounting:

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Continued on next page

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual And Encumbrances
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of education	\$ 87,229	\$ 87,412	\$ 68,163	\$ 410	\$ 18,839
Central administration	284,841	287,826	282,970	-	4,856
Finance	1,334,762	1,346,843	1,272,045	800	73,998
Staff	608,679	601,951	553,461	2,500	45,990
Central services	7,304,081	7,759,438	7,149,173	70,474	539,791
Special items	965,479	1,920,732	1,880,997	-	39,735
Total General Support	<u>10,585,071</u>	<u>12,004,202</u>	<u>11,206,809</u>	<u>74,184</u>	<u>723,209</u>
<b>Instruction</b>					
Instruction, administration and improvement	2,707,222	2,627,307	2,475,934	13,229	138,144
Teaching - regular school	19,836,838	19,883,350	19,233,530	59,330	590,490
Programs for children with handicapping conditions	13,162,309	13,342,569	12,923,886	3,313	415,370
Occupational education	1,100,262	1,115,531	1,047,988	2,103	65,440
Teaching - special school	132,936	118,167	80,987	-	37,180
Instructional media	2,267,649	2,294,539	2,247,436	-	47,103
Pupil services	3,721,731	3,762,903	3,345,920	66,780	350,203
Total Instruction	<u>42,928,947</u>	<u>43,144,366</u>	<u>41,355,681</u>	<u>144,755</u>	<u>1,643,930</u>
Pupil transportation	2,009,273	2,011,129	1,617,729	4,311	389,089
Employee benefits	23,746,892	23,480,017	22,724,713	-	755,304
Debt service	7,834,789	7,834,789	7,229,016	-	605,773
Total Expenditures	<u>87,104,972</u>	<u>88,474,503</u>	<u>84,133,948</u>	<u>223,250</u>	<u>4,117,305</u>
<b>OTHER FINANCING USES</b>					
Transfers (to)/from other funds	<u>185,000</u>	<u>225,100</u>	<u>161,480</u>	<u>-</u>	<u>63,620</u>
Total Expenditures and Other Uses	<u>\$ 87,289,972</u>	<u>\$ 88,699,603</u>	<u>\$ 84,295,428</u>	<u>\$ 223,250</u>	<u>\$ 4,180,925</u>
Net Change in Fund Balances			544,861		
Fund balance - Beginning			<u>16,836,977</u>		
Fund balance - Ending			<u>\$ 17,381,838</u>		

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET  
AND SECTION 1318 OF REAL PROPERTY TAX LIMIT CALCULATION  
JUNE 30, 2021**

**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 87,289,972
Add: Prior year's encumbrances	<u>282,867</u>
Original budget	87,572,839
<b>Budget revision:</b>	
Unanticipated revenues	5,244
Appropriated reserves	<u>1,121,520</u>
Final budget	<u><u>\$ 88,699,603</u></u>

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

2021-2022 Voter-approved expenditure budget	\$ 89,573,463
Maximum allowed	\$ 3,582,939
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 1,723,251
Unassigned fund balance	<u>3,277,345</u>
Total unrestricted fund balance	<u>\$ 5,000,596</u>
Less:	
Appropriated fund balance	1,500,000
Encumbrances included in assigned fund balance	<u>223,250</u>
Total adjustments	<u>\$ 1,723,250</u>
General Fund Fund Balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,277,346</u></u>
Actual percentage	3.66%

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND  
JUNE 30, 2021**

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Method of Financing					Transfer to Debt Sevice Fund	Fund Balance 06/30/21
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Federal Aid	Local Sources	Total		
<b>Major capital projects:</b>													
2019 Project GJ Elem 03-15-01-06-0-003-010	366,000	404,203	182,617	150,095	332,712	71,491	-	-	-	1,000,000	1,000,000	-	667,288
2019 Project GJ Elem Ph2 03-15-01-06-0-003-011	-	7,251	1,851	5,235	7,086	165	-	-	-	-	-	-	(7,086)
2019 Project LW Elem 03-15-01-06-0-004-016	314,000	268,391	90,075	384,035	474,110	(205,719)	-	-	-	-	-	-	(474,110)
2019 Project LW Elem Ph2 03-15-01-06-0-004-017	-	108,756	27,759	79,379	107,138	1,618	-	-	-	-	-	-	(107,138)
2019 Project CFJ Elem 03-15-01-06-0-006-019	902,000	803,393	339,311	85,297	424,608	378,785	-	-	-	-	-	-	(424,608)
2019 Project CFJ Elem Ph2 03-15-01-06-0-006-020	-	101,506	25,908	88,137	114,045	(12,539)	-	-	-	-	-	-	(114,045)
2019 Project High School 03-15-01-06-0-011-043	13,191,000	12,541,213	173,430	1,264,199	1,437,629	11,103,584	-	-	-	-	-	-	(1,437,629)
2019 Project High School Ph2 03-15-01-06-0-011-044	-	435,024	111,036	349,212	460,248	(25,224)	-	-	-	-	-	-	(460,248)
2019 Project JFS Ph2 03-15-01-06-0-012-021	-	7,251	1,851	7,410	9,261	(2,010)	-	-	-	-	-	-	(9,261)
2019 Project TJW Elem 03-15-01-06-0-016-020	429,000	458,229	138,848	276,987	415,835	42,394	-	-	-	-	-	-	(415,835)
2019 Project TJW Elem Ph2 03-15-01-06-0-016-021	-	29,002	7,402	26,185	33,587	(4,585)	-	-	-	-	-	-	(33,587)
2019 Project AGM Elem 03-15-01-06-0-017-020	205,000	206,527	18,675	118,758	137,433	69,094	-	-	-	-	-	-	(137,433)
2019 Project AGM Elem Ph2 03-15-01-06-0-017-021	-	14,501	3,701	(3,701)	-	14,501	-	-	-	-	-	-	-
2019 Project Admin Ph2 03-15-01-06-1-030-008	-	7,251	1,850	5,556	7,406	(155)	-	-	-	-	-	-	(7,406)
2019 Project Bus Garage Ph2 03-15-01-06-5-021-012	-	14,501	3,701	33,754	37,455	(22,954)	-	-	-	-	-	-	(37,455)
2018 Capital Improv. Proj. - DO 03-15-01-06-1-030-007	-	201,128	233,849	12,111	245,960	(44,832)	-	-	-	-	-	-	(245,960)
2018 Capital Improv. Proj. - GFJ 03-15-01-06-0-003-009	295,934	295,934	556,362	34,868	591,230	(295,296)	85,000	285,000	-	3,000,000	3,370,000	-	2,778,770
2018 Capital Improv. Proj. - LWW 03-15-01-06-0-004-015	5,394,769	5,394,769	5,152,992	395,207	5,548,199	(153,430)	-	-	-	-	-	-	(5,548,199)
2018 Capital Improv. Proj. - LWW 03-15-01-06-0-004-018	-	-	-	49,553	49,553	(49,553)	-	-	-	-	-	-	(49,553)
2018 Capital Improv. Proj. - CFJ 03-15-01-06-0-006-018	1,709,860	1,709,860	935,684	44,902	980,586	729,274	-	-	-	-	-	-	(980,586)
2018 Capital Improv. Proj. - UEHS 03-15-01-06-0-011-038	50,000	591,168	1,566,009	-	1,566,009	(974,841)	-	-	-	-	-	-	(1,566,009)
2018 Capital Improv. Proj. - UEHS 03-15-01-06-0-011-039	2,245,726	1,704,559	435,081	13,573	448,654	1,255,905	-	-	-	-	-	-	(448,654)
2018 Capital Improv. Proj. - JFS 03-15-01-06-0-012-019	124,805	124,805	90,936	-	90,936	33,869	-	-	-	-	-	-	(90,936)
2018 Capital Improv. Proj. - JFS PH 2 03-15-01-06-0-012-020	-	14,050	22,142	1,756	23,898	(9,848)	-	-	-	-	-	-	(23,898)
2018 Capital Imp. Proj. - TJW PH 2 03-15-01-06-0-016-019	837,059	837,059	662,732	44,858	707,590	129,469	-	-	-	-	-	-	(707,590)
2018 Capital Improv. Proj. - AGM 03-15-01-06-0-017-018	945,442	945,442	574,395	-	574,395	371,047	-	-	-	-	-	-	(574,395)
2018 Capital Imp. Proj. - AGM PH 2 03-15-01-06-0-017-019	401,000	401,000	600,229	25,154	625,383	(224,383)	-	-	-	-	-	-	(625,383)
2018 Capital Imp. Proj. - Bus Gar 03-15-01-06-5-021-011	152,965	152,965	239,551	-	239,551	(86,586)	-	-	-	-	-	-	(239,551)
<b>Major projects (balance forward):</b>	<b>\$ 27,564,560</b>	<b>\$ 27,779,738</b>	<b>\$ 12,197,977</b>	<b>\$ 3,492,520</b>	<b>\$ 15,690,497</b>	<b>\$ 12,089,241</b>	<b>\$ 85,000</b>	<b>\$ 285,000</b>	<b>\$ -</b>	<b>\$ 4,000,000</b>	<b>\$ 4,370,000</b>	<b>\$ -</b>	<b>\$ (11,320,497)</b>

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (CONTINUED)  
JUNE 30, 2021**

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Method of Financing					Transfer to Debt Service Fund	Fund Balance 06/30/21
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Federal Aid	Local Sources	Total		
<b>Major projects (balance brought forward):</b>	\$ 27,564,560	\$ 27,779,738	\$ 12,197,977	\$ 3,492,520	\$ 15,690,497	\$ 12,089,241	\$ 85,000	\$ 285,000	\$ -	\$ 4,000,000	\$ 4,370,000	\$ -	\$ (11,320,497)
<b>Non-major capital projects:</b>													
Buses	2,708,000	2,708,000	2,581,000	455,562	3,036,562	(328,562)	1,517,800	-	-	248,000	1,765,800	131,438	(1,402,200)
03-15-01-06-2-222-002													
20-21 Project	100,000	100,000	-	89,176	89,176	10,824	-	-	-	89,176	89,176	-	-
03-15-01-06-0-017-022													
2020 Fields/Fieldhouse Flood Project	100,000	100,000	-	69,951	69,951	30,049	-	-	-	70,000	70,000	-	49
03-15-01-06-9-999-999													
S 2016 Capital Improv. Proj. - UEHS	215,000	246,211	108,825	21,056	129,881	116,330	-	-	-	-	-	-	(129,881)
03-15-01-06-0-011-041													
GF Johnson 2016 Smart Bonds	124,103	403,103	375,331	-	375,331	27,772	-	-	-	-	-	-	(375,331)
03-15-01-06-0-003-007													
GF Johnson 2016 Cap Improv	82,767	722,803	1,821,023	-	1,821,023	(1,098,220)	10,308,000	257,135	-	-	10,565,135	-	8,744,112
03-15-01-06-0-003-008													
LW West 2016 Smart Bonds	72,323	125,823	185,467	2,903	188,370	(62,547)	-	-	-	-	-	-	(188,370)
03-15-01-06-0-004-014													
LW West 2016 Cap Improv	10,398	276,425	496,661	-	496,661	(220,236)	-	1,030,557	-	-	1,030,557	-	533,896
03-15-01-06-0-004-015													
CF Johnson 2016 Smart Bonds	180,606	328,782	241,187	-	241,187	87,595	-	-	-	-	-	-	(241,187)
03-15-01-06-0-006-016													
CF Johnson 2016 Cap Improv	56,264	822,447	1,689,571	-	1,689,571	(867,124)	-	-	-	-	-	-	(1,689,571)
03-15-01-06-0-006-017													
SR HS 2016 Smart Bonds	103,011	383,095	941,337	-	941,337	(558,242)	-	14,280	-	-	14,280	-	(927,057)
03-15-01-06-0-011-035													
SR HS Cap Improv	88,144	4,344,937	5,562,692	-	5,562,692	(1,217,755)	-	1,405,265	-	-	1,405,265	-	(4,157,427)
03-15-01-06-0-011-036													
JF Snapp 2016 Smart Bonds	96,736	240,766	261,732	-	261,732	(20,966)	-	-	-	3,500,000	3,500,000	-	3,238,268
03-15-01-06-0-012-018													
TJ Watson 2016 Smart Bonds	51,786	383,388	421,756	-	421,756	(38,368)	696,000	-	-	-	696,000	-	274,244
03-15-01-06-0-016-015													
TJ Watson Cap Improv	43,184	1,110,493	1,572,444	-	1,572,444	(461,951)	-	-	-	-	-	-	(1,572,444)
03-15-01-06-0-016-016													
Bus Garage Cap Improv	27,384	549,959	669,652	(8,563)	661,089	(111,130)	-	-	-	-	-	-	(661,089)
03-15-01-06-5-021-009													
Bus Garage Cap Improv	-	-	9,100	-	9,100	(9,100)	-	-	-	-	-	-	(9,100)
03-15-01-06-5-021-010													
AG McGuinness 2016 Cap Improv	513,359	1,309,361	1,876,501	-	1,876,501	(567,140)	-	-	-	-	-	-	(1,876,501)
03-15-01-06-0-017-016													
AG McGuinness Smart Bonds	67,163	396,190	419,711	-	419,711	(23,521)	-	-	-	-	-	-	(419,711)
03-15-01-06-0-017-015													
AG McGuinness Smart Bonds	-	8,586	-	1,282	1,282	7,304	-	-	-	-	-	-	(1,282)
03-15-01-06-0-017-021													
District Admin Smart Bonds	33,115	74,847	125,835	280,444	406,279	(331,432)	-	-	-	-	-	-	(406,279)
03-15-01-06-1-030-005													
District Admin 2016 Cap Improv	41,982	409,946	421,881	(271,882)	149,999	259,947	-	-	-	-	-	-	(149,999)
03-15-01-06-1-030-006													
2009 Improvement Project	1,282,000	1,282,000	1,132,000	-	1,132,000	150,000	-	-	-	1,282,000	1,282,000	-	150,000
	<u>5,997,325</u>	<u>16,327,162</u>	<u>20,913,706</u>	<u>639,929</u>	<u>21,553,635</u>	<u>(5,226,473)</u>	<u>12,521,800</u>	<u>2,707,237</u>	<u>-</u>	<u>5,189,176</u>	<u>20,418,213</u>	<u>131,438</u>	<u>(1,266,860)</u>
Totals	\$ 33,561,885	\$ 44,106,900	\$ 33,111,683	\$ 4,132,449	\$ 37,244,132	\$ 6,862,768	\$ 12,606,800	\$ 2,992,237	\$ -	\$ 9,189,176	\$ 24,788,213	\$ 131,438	\$ (12,587,357)

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Debt Service</b>	<b>School Food Service</b>	<b>Special Aid</b>	<b>Miscellaneous Special Revenue</b>	<b>Non-Major Capital Projects</b>	<b>Total Non-Major Funds</b>
<b>ASSETS</b>						
<b>Cash</b>						
Unrestricted	\$ 2,270,089	\$ 500,180	\$ 6,893	\$ -	\$ 144,627	\$ 2,921,789
Restricted	-	-	-	208,198	-	208,198
<b>Receivables</b>						
Due from other funds	19	-	-	-	-	19
Due from fiduciary funds	-	-	-	-	-	-
State and Federal aid	-	314,755	979,386	-	-	1,294,141
Other	2,651	2,962	-	-	-	5,613
Inventories	-	76,628	-	-	-	76,628
Total Assets	<u>\$ 2,272,759</u>	<u>\$ 894,525</u>	<u>\$ 986,279</u>	<u>\$ 208,198</u>	<u>\$ 144,627</u>	<u>\$ 4,506,388</u>
<b>LIABILITIES</b>						
<b>Payables</b>						
Accounts payable	\$ -	\$ 27,203	\$ 28,126	\$ -	\$ 9,287	\$ 64,616
Accrued liabilities	-	2,382	1,846	-	-	4,228
Due to other funds	-	35	908,142	-	-	908,177
Due to fiduciary funds	-	-	-	-	-	-
Due to other governments	-	210	-	-	-	210
<b>Notes payable</b>						
Bond anticipation notes	-	-	-	-	1,402,200	1,402,200
<b>Deferred credits</b>						
Unearned	-	24,685	48,165	-	-	72,850
Total Liabilities	<u>-</u>	<u>54,515</u>	<u>986,279</u>	<u>-</u>	<u>1,411,487</u>	<u>2,452,281</u>
<b>FUND BALANCES</b>						
Nonspendable	-	76,629	-	-	-	76,629
Restricted	2,272,759	-	-	208,198	-	2,480,957
Assigned	-	763,381	-	-	-	763,381
Unassigned	-	-	-	-	(1,266,860)	(1,266,860)
Total Fund Balances	<u>2,272,759</u>	<u>840,010</u>	<u>-</u>	<u>208,198</u>	<u>(1,266,860)</u>	<u>2,054,107</u>
Total Liabilities and Fund Balances	<u>\$ 2,272,759</u>	<u>\$ 894,525</u>	<u>\$ 986,279</u>	<u>\$ 208,198</u>	<u>\$ 144,627</u>	<u>\$ 4,506,388</u>

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**  
**SUPPLEMENTARY INFORMATION**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Debt Service</u>	<u>School Food Service</u>	<u>Special Aid</u>	<u>Miscellaneous Special Revenue</u>	<u>Non-Major Capital Projects</u>	<u>Total Non-Major Funds</u>
Use of money and property	\$ 4,951	\$ 264	\$ -	\$ 169	\$ -	\$ 5,384
Sale of property and compensation for loss		-	-		25,000	25,000
Miscellaneous	1,869,042	206,208	-	-	-	2,075,250
State sources	-	56,620	514,954	-	542,136	1,113,710
Federal sources	-	1,588,211	2,553,066	-	-	4,141,277
Local sources	-	-	492,921	20	-	492,941
Surplus food	-	158,979	-	-	-	158,979
Sales - school lunch	-	28,179	-	-	-	28,179
<b>Total Revenues</b>	<b>1,873,993</b>	<b>2,038,461</b>	<b>3,560,941</b>	<b>189</b>	<b>567,136</b>	<b>8,040,720</b>
<b>EXPENDITURES</b>						
General support	235,390	-	-	-	-	235,390
Instruction	-	-	3,433,679	-	-	3,433,679
Pupil transportation	-	-	4,566	-	-	4,566
Employee benefits	-	398,280	-	-	-	398,280
Debt service						
Principal	1,486,000	-	-	-	-	1,486,000
Interest	119,499	-	-	-	-	119,499
Scholarships	-	-	-	6,320	-	6,320
Cost of sales	-	1,605,899	-	-	-	1,605,899
Capital outlay	-	-	-	-	639,930	639,930
<b>Total Expenditures</b>	<b>1,840,889</b>	<b>2,004,179</b>	<b>3,438,245</b>	<b>6,320</b>	<b>639,930</b>	<b>7,929,563</b>
Excess (Deficiency) of Revenues Over Expenditures	33,104	34,282	122,696	(6,131)	(72,794)	111,157
<b>OTHER FINANCING SOURCES AND USES</b>						
Proceeds from debt	-	-	-	-	9,731,600	9,731,600
Proceeds of refunding bonds	4,360,000	-	-	-	-	4,360,000
Payment to refunded bond escrow agent	(4,390,307)	-	-	-	-	(4,390,307)
Operating transfers in	4,438	-	27,304	-	134,176	165,918
Operating transfers (out)	(6,145)	-	(150,000)	-	(4,438)	(160,583)
<b>Total Other Sources (Uses)</b>	<b>(32,014)</b>	<b>-</b>	<b>(122,696)</b>	<b>-</b>	<b>9,861,338</b>	<b>9,706,628</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Revenues (Uses)	1,090	34,282	-	(6,131)	9,788,544	9,817,785
Fund Balances - Beginning of year	2,271,669	805,728	-	-	(11,055,404)	(7,978,007)
Reclassified per GASB 84	-	-	-	214,329	-	214,329
Fund Balances - End of Year	<u>\$ 2,272,759</u>	<u>\$ 840,010</u>	<u>\$ -</u>	<u>\$ 208,198</u>	<u>\$ (1,266,860)</u>	<u>\$ 2,054,107</u>

See paragraph on supplementary schedules in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Capital Assets, net</b>		\$ 111,260,201
<b>Deduct:</b>		
Bond Anticipation Notes	14,914,760	
Premium on bonds payable	(1,869,042)	
Short-term portion of bonds payable	5,005,000	
Long-term portion of bonds payable	20,440,000	
Less: unspent bond proceeds	<u>(2,381,380)</u>	
		<u>36,109,338</u>
Investment in capital assets, net of related debt		<u><u>\$ 75,150,863</u></u>

See paragraph on supplementary schedules included in the independent auditors' report

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing/ CFDA Number	Agency or Pass- through Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>Passed Through NYS Education Department:</b>			
<b>Child Nutrition Cluster</b>			
<b>Non-Cash Assistance (Food Distribution)</b>			
National School Lunch Program	10.555		\$ 158,980
<b>Cash Assistance</b>			
School Breakfast Program	10.553		-
National School Lunch Program	10.555		-
Summer Food Service Program For Children	10.559		<u>1,575,963</u>
Total Child Nutrition Cluster			<u>1,734,943</u>
Fresh Fruit and Vegetable Program	10.582		<u>12,248</u>
Total Department of Agriculture			<u>1,747,191</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>Passed Through NYS Education Department:</b>			
<b>Special Education Cluster (IDEA) Cluster</b>			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-21-0059	999,878
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-21-0059	<u>26,188</u>
Total Special Education Cluster (IDEA) Cluster			<u>1,026,066</u>
<b>Title I, Part A</b>			
Title I Grants to Local Educational Agencies	84.010A	0021-20-0185	2,551
Title I Grants to Local Educational Agencies	84.010A	0021-21-0185	1,172,103
Title I Grants to Local Educational Agencies	84.010A	0016-20-0185	1,625
Title I Grants to Local Educational Agencies	84.010A	0016-21-0185	1,584
Title I Grants to Local Educational Agencies (School Improvement Grant)	84.010A	0011-20-3142	24,994
Title I Grants to Local Educational Agencies (School Improvement Grant)	84.010A	0011-21-3142	<u>2,628</u>
Total Title I, Part A			<u>1,205,485</u>
<b>Other Programs</b>			
Supporting Effective Instruction State Grants	84.367A	0147-20-0185	2,000
Supporting Effective Instruction State Grants	84.367A	0147-21-0185	188,680
English Language Acquisition Grants	84.365A	0293-21-0195	6,524
English Language Acquisition Grants	84.365A	0149-21-0185	32,955
Student Support and Academic Enrichment Grants	84.424A	0204-20-0185	345
Student Support and Academic Enrichment Grants	84.424A	0204-21-0185	91,012
Governor's Emergency Education Relief Fund	84.425C	5895-21-0185	186,100
Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-0185	<u>1,098,035</u>
Total Other Programs			<u>1,605,651</u>
Total Department of Education			<u>3,837,202</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<b>Passed through NYS Division of Homeland Security and Emergency Services</b>			
Local Disaster Relief	97.036	4031-DR-NY	<u>239,325</u>
Total Department of Homeland Security			<u>239,325</u>
Total Expenditures of Federal Awards			<u>\$ 5,823,718</u>

See notes to Schedule of Expenditures of Federal Awards

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1: SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Acquisitions 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 the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

**NOTE 2: SUBRECIPIENTS:**

No amounts were provided to subrecipients.

**NOTE 3: 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 District's casualty insurance policies.

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

**NOTE 4: NON-CASH ASSISTANCE:**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2021, the District received food commodities totaling \$158,980.

**UNION-ENDICOTT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

Section I - Summary of Independent Auditors' Results

**Financial Statements**

Type of auditors' report issued on whether  
The financial statements were prepared in  
accordance with GAAP: unmodified

**Internal Control over Financial Reporting**

	<u>Yes</u>	<u>No</u>	
Material weakness identified?	_____	_____X	
Significant deficiencies identified?	_____	_____X	none reported

Noncompliance material to financial statements noted?	_____	_____X	
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**Federal Awards**

Internal control over major programs:			
Material weakness identified?	_____	_____X	
Significant deficiencies identified?	_____	_____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)?	_____	_____X	
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**Identification of major programs:**

<u>Assistance Listing/ CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027A/84.173A	<u>Special Education Cluster:</u> Special Education - Grants to States (IDEA Part B) Special Education - Preschool Grants (IDEA Preschool)
84.425C/84.425D	Governor's Emergency Education Relief Fund Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	_____X	_____	
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Section II - Financial Statement Findings: No matters were reported.

Section III - Federal Award Findings and Questioned Costs: No matters were reported.

# VIEIRA & ASSOCIATES

## CPAs, P.C.

John B. Burtis, CPA\*  
Scott M. Hotalen, CPA  
\*Also Licensed in Pennsylvania

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Patrick J. Price, CPA, CVA  
Nicole R. Mayers, CPA

To the Board of Education  
Union-Endicott Central School District  
1100 East Main Street  
Endicott, New York 13760

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

#### **INDEPENDENT AUDITORS' REPORT**

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 Union-Endicott Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Union-Endicott Central School District's basic financial statements, and have issued our report thereon dated October 14, 2021.

#### **Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Union-Endicott Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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.

*Vieira & Associates CPAs, P.C.*

October 14, 2021  
Endicott, New York

# VIEIRA & ASSOCIATES

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Union-Endicott Central School District  
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### **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

#### **INDEPENDENT AUDITORS' REPORT**

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

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

##### **Management's Responsibility**

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

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Union-Endicott Central School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Acquisitions 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 Union-Endicott Central School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

## **Report on Internal Control Over Compliance**

Management of Union-Endicott Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Union-Endicott Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 District's internal control over compliance.

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

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

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Union-Endicott Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Union-Endicott Central School District's basic financial statements. We issued our report thereon dated October 14, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements themselves, and certain additional procedures, including comparing and reconciling directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Vieira & Associates CPAs, P.C.*

October 14, 2021  
Endicott, New York