

**GREENWICH CENTRAL SCHOOL**

**Financial Statements and Independent Auditor's Report**

**June 30, 2020**

## Greenwich Central School

June 30, 2020

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**INDEPENDENT AUDITOR'S REPORT**

The Board of Education  
Greenwich Central School District

**Report on the Financial Statements**

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

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

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

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

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of funding progress – other post-employment benefits, contributions, schedule of proportionate share of the net pension liability (asset), and schedule of contributions – pension plans to be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information described in the table of contents as required by New York State Education Department, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information included has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express any opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In Accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

September 30, 2020

*Beecher & Bethel, LLP*

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**Greenwich Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

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The following is a discussion and analysis of Greenwich Central School District's financial performance for the fiscal year ended June 30, 2020. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-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. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

1. The District's student enrollment of 956 students for the 2020 school year is a decrease of 14 students from the 2019 school year total of 970.
2. The District continued working on three separate capital projects during the year. A total of \$704,670.00 was expended on, Bus purchases, 8.1M Building project, The AG equipment project & the \$100,000.00 annual project.
3. The District's general fund revenue increased by \$280 or 1.3% over the previous year. Property Taxes accounted for \$341K, State & Federal Aid \$(39)K and use of money, (interest investment) another \$(27)K over prior year. The District's general fund expenditures decreased by approximately \$405K or 1.9% compared to the prior year. Employee benefits decreased approximately \$354K along with \$237K in inter-fund transfers. Instruction increased \$512K, general support decreased by another \$48K.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Greenwich Central School District annual financial report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide

statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.

- The *governmental funds* statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

<b>Figure A-1 Major Features of the District-Wide and Fund Financial Statements</b>			
	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

## District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the 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 statements report the District's *net position* and how they have changed. Net position (the difference between the School District's assets and liabilities) are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental activities*: Most of the 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.

## Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- **Governmental Funds:** Most of the 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The 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

Table 2 shows a two-year analysis of the District's net position

	Governmental Activities And Total School District		Percentage Change
	2019	2020	2019-2020
Current and Other Assets	\$ 4,754,292	\$ 4,639,351	-2.42%
Capital Assets & Deferred Outflows	27,225,772	24,270,946	-10.85%
Total Assets	<u>31,980,064</u>	<u>28,910,297</u>	<u>-9.60%</u>
Long-Term Debt Outstanding	50,217,191	54,812,493	9.15%
Other Liabilities	3,243,611	2,289,157	-29.43%
Total Liabilities	<u>53,460,802</u>	<u>57,101,650</u>	<u>6.81%</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	7,138,411	6,611,565	-7.38%
Restricted	1,559,192	1,442,800	-7.46%
Unrestricted	-30,178,341	-36,245,718	20.11%
Total Net Position	<u>\$ -21,480,738</u>	<u>\$ -28,191,353</u>	<u>31.24%</u>

Note: Totals may not add due to rounding.

### Changes in Net Position

The District's fiscal year 2020 revenues totaled \$22.72 million. Property taxes and state formula aid accounted for most of the District's revenue by contributing 50% and 44% respectively, of every dollar earned. The remainder came from fees charged for services, operation grants and other miscellaneous sources. These revenues are shown in table 3.

The total cost of all programs and services totaled \$36.48 million for fiscal year 2020. These expenses (85.87%) are predominately support to general support, instruction, and employee benefits. These expenses are shown in table 3.



Table 3 shows a two-year analysis of the districts revenues and expenditures for the 2019 and 2020 school years.

**Changes in Net Assets from Operating Results**

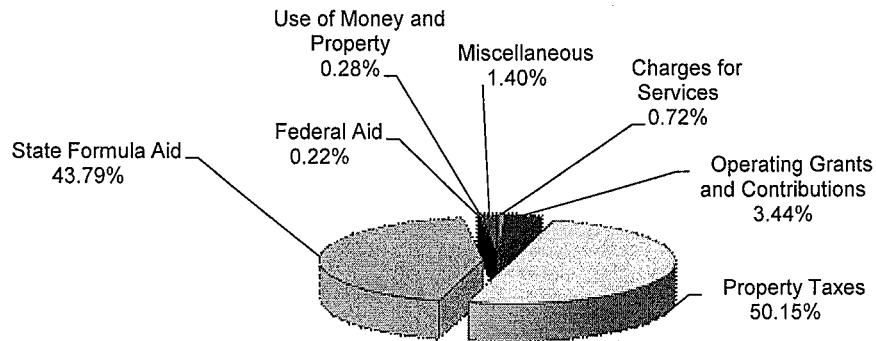
	Governmental and Total School District		Percentage Change
	2019	2020	2019-2020
<b>Revenues</b>			
Program Revenue			
Charges for Services	\$ 222,181	\$ 164,344	-26.03%
Operating Grants and Contributions	727,697	782,493	7.53%
Capital Grants Contributions			
General Revenues			
Property Taxes	11,055,244	11,396,994	3.09%
State Formula Aid	10,323,948	9,952,696	-3.60%
Federal Aid	71,058	51,025	-28.19%
Use of Money and Property	89,037	62,690	-29.59%
Miscellaneous	290,780	317,808	9.29%
Total Revenues	\$ 22,779,945	\$ 22,728,050	-0.23%
<b>Expenses</b>			
General Support	\$ 2,194,762	\$ 2,184,319	-0.48%
Instruction	11,421,875	11,096,849	-2.85%
Transportation	706,792	616,382	-12.79%
Employee Benefits	887,943	11,998,211	1251.24%
Debt Service - Interest	287,955	259,954	-9.72%
Depreciation	1,272,643	2,772,307	117.84%
School Lunch Program	355,979	364,220	2.32%
Other	143,116	146,423	2.31%
Total Expenses	17,271,065	29,438,665	70.45%
<b>Decrease in Net Position</b>	\$ 5,508,880	\$ -6,710,615	N/A

Note: Totals may not add due to rounding.

Chart 1 and Chart 2 visually depict the revenues and expenses for the 2019-2020 year.

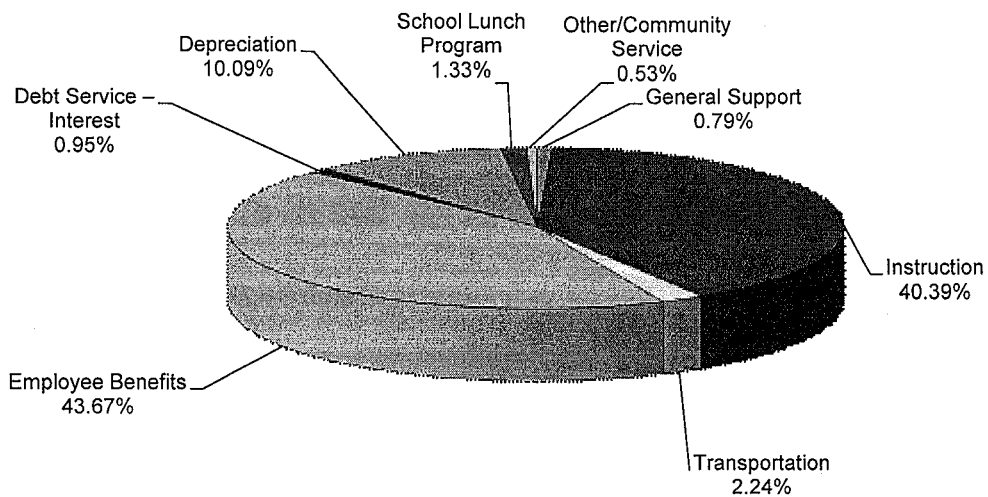
**Chart 1**

**Sources of Revenues for Fiscal Year 2020**



**Chart 2**

**Expenses for Fiscal Year 2020**



## Governmental Activities

The table below presents the cost of seven major districts areas. The table also shows each activity net cost, (total cost less fees generated by the activity and grants received for specific programs). The total net cost shows the financial burden placed on the district.

**Table 4** **Net Cost of Governmental Activities**

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2019	2020	2019-2020	2019	2020	2019-2020
General Support	\$ 2,194,762	\$ 2,184,319	-0.48%	\$ 2,194,762	\$ 2,184,319	-0.48%
Instruction	11,421,875	11,096,849	-2.85%	10,819,896	10,511,891	-2.85%
Pupil Transportation	706,792	616,382	-12.79%	706,792	616,382	-12.79%
Employee Benefits	887,943	11,998,211	1251.24%	887,943	11,998,211	1251.24%
Debt Service – Interest	287,955	259,954	-9.72%	287,955	259,954	-9.72%
Depreciation	1,272,643	2,772,307	117.84%	1,272,643	2,772,307	117.84%
Other	143,116	146,423	2.31%	143,116	146,423	2.31%
Cost of Sales – Food	355,979	364,220	2.32%	8,080	2,341	-71%
<b>Total</b>	<b>\$ 17,271,065</b>	<b>\$ 29,438,665</b>	<b>70.45%</b>	<b>\$ 16,321,187</b>	<b>\$ 28,491,828</b>	<b>74.57%</b>

Note: Totals may not add due to rounding

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and current payments for debt.

No other significant variances are reflected in the governmental fund financial statements for 2020.

The District maintains reserve funds for unemployment insurance and retirement contributions.

General Fund – The general fund, fund balance increased by \$958,935 as shown in statement #5.

School Lunch Fund – The school lunch fund, fund balance increased by \$7,759 as shown in statement #5.

Debt Service Fund – The debt service fund, fund balance increased by \$4,274 as shown in statement #5.

Capital Projects Fund – the capital project fund, fund balance decreased by \$377,980 as shown in statement #5.

### **General Fund Budgetary Highlights**

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. 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 is a schedule of budget modifications that occurred during the year.

Original adopted budget	\$ 21,976,710
* Budget revisions	149,294
June 30, 2019 carryover encumbrances	<u>53,641</u>
Revised budget	\$ 22,179,645
Actual 2020 expenditures (see SS#2)	<u>20,867,306</u>
Total expenditures under budget	\$ <u><u>1,312,339</u></u>

\*Budget revisions were made to accommodate the following actions:

- \$142,423 Library
- \$ 6,871 Other

## CAPITAL ASSET AND DEBT ADMINISTRATION

By the end of fiscal year 2020, the district had invested \$15,849,947, net of accumulated depreciation, in a broad range of capital assets.

**Table 5 Capital Assets (Net of Depreciation)**

### Capital Assets (Net of Depreciation)

	Governmental Activities and Total School District		Percentage Change
	2019	2020	
Land	\$ 842,083	\$ 842,083	0.00%
Buildings	14,929,514	12,986,597	-13.01%
Equipment and Furniture	1,454,393	2,021,267	38.98%
<b>Total</b>	<b>\$ 17,225,990</b>	<b>\$ 15,849,947</b>	<b>-7.99%</b>

Note: Totals may not add due to rounding.

### Long-Term Debt

As of June 30, 2020 the District had outstanding long-term liabilities of \$53,543,759. The various obligations are listed below in Table 6.

**Table 6 Outstanding Long-Term Debt**

	Governmental Activities and Total School District		Percentage Change 2019-2020
	2019	2020	
General Obligation Bonds	\$ 10,087,579	\$ 9,238,382	-9.19%
Post Employment Benefits	40,129,612	44,305,377	9.42%
<b>Total</b>	<b>\$ 50,217,191</b>	<b>\$ 53,543,759</b>	<b>6.21%</b>

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

### **NEXT YEAR'S BUDGET AND RATES**

From 2011 through 2016, the District had deficits totaling more than 1.6M. Since then, the District has had four years of surplus totaling 2.4M while staying at or below the tax levy limit. This has allowed the District to increase its overall fund balance to 3.3M, 15% of the overall 2020-21 budget. The average total fund balance as a percentage of gross expenditures in NYS is 29%. Due to COVID-19 and school closure from March through June, the District reduced its normal expenditures in several areas, such as transportation and general supplies

In developing the 2020-2021 School Budget, The District took a proactive decision to reduce its spending plan by over 2.8% or \$620K. This was accomplished by not replacing three teaching position through attrition, significantly reducing equipment, contractual and supply expenses, and by WSWHE BOCES reducing their fees in certain contractual categories . Through contract negotiations, the District has been able to reduce its overall cost on health insurance, which is approximately 17% of the total budget. Health insurance cost has been increasing at a rate of approximately 4.5% per year. Wages and salaries make up the largest part of the budget at 10.6M or roughly 48% of the total budget, followed by overall employee benefits (health insurance, retirement contribution, and FICA taxes and workers compensation) at 5.7M or 26% of the total budget. The District is expected to spend approximately 2.2M, 10% of the total budget, with BOCES. BOCES provides services for special education, technology, CTE programs for students, and much more. The district has just under 200 employees with the Greenwich Teacher Association at 96 staff members, The Local CSEA at 80 staff members, the Greenwich Administrator's Association with five and nine management confidential staff members.

The 2020-21 financial plan brings many uncertainties as the NYSDOB (Division of Budget) and the NYS Governor has repeatedly stated that school districts in New York State could withhold up to 20% in State Aid. For Greenwich, this 20% would be approximately \$1.8M. As part of the 2020-21 budget process, the district has already planned on 10% reduction and utilizing approximately 500K in unassigned fund balance.

The annual \$100K project is planned again for 2020-21, work completed and expensed in 2020-2021 and aided the following year. This year the District will upgrade the sidewalks in front of the primary building and replace wash sinks in the primary cafeteria. The districts building aid is currently at 81.9%. The plan is to continue the small \$100K projects each year, costing the district approximately \$18K for \$100K of work completed.

The community passed the Greenwich Central School District budget on the uniform State voting date of June 8, 2020. The budget passed by 82% with 460 yes to 102 no votes. The equipment proposition passed with 412 yes to 150 no votes. Participation was much different this year, as voters were required to vote by mail in ballot only due the COVID-19. There was one board seat open for a full five-year term and only one person ran for that seat. The vote passed with 472 yes votes. The budget proposal included a 0.0% spending increase and a 1.91% increase in tax levy, which was at the NYS tax cap. The passage of the budget set the spending level for 2020-21.

The school district includes parts of eight towns in Washington County. Equalization rates spread the tax levy over taxable assessed value to maintain a uniform tax rate on true value. The tax on true value increased slightly to \$17.13 per \$1000. Property value remained stable for 2020, but had increases each of the past 5 years at an average 1.2% per year.

#### Economic Factors

State Aid from New York makes up about 46% of revenues in Greenwich while 52% comes from the property taxes that are collected in September. Property taxes and lottery aid revenue is collected in the fall and State Aide is received over the remaining length of the fiscal year allowing for positive cash flow.

The Fort Miller Company is the largest employer in the school district with over 400 employees followed by H&V, a manufacturer of paper products, with just under 200 employees. Global Foundries facility in Malta provides jobs to approximately 2,900 employees. The school district border is 15 miles from their Technology Park.

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

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

**Greenwich Central School  
Business Office  
Troy Tyler, Business Administrator  
10 Gray Avenue  
Greenwich, New York 12834  
(518) 692-9542 Ext. 6803**

## BASIC FINANCIAL STATEMENTS



**Greenwich Central School  
Statement of Net Position  
Governmental Activities  
June 30, 2020**

**Statement #1**

**ASSETS**

Cash		
Unrestricted	\$	2,385,451
Restricted		<u>1,442,800</u>
Investments		
Unrestricted		
Restricted		
Receivables		
Taxes		
State and Federal aid		<u>781,658</u>
Due from other governments		<u>10,259</u>
Due from fiduciary funds		<u>3,303</u>
Other		<u>642</u>
Inventories		<u>15,238</u>
Deferred expenditures		
Net Pension Asset, Proportionate Share		<u>1,178,072</u>
Capital assets, net		<u>15,849,947</u>
<b>Total Assets</b>		<u><u>21,667,370</u></u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pensions		5,283,963
Other Post-employment Benefites		<u>1,958,964</u>
<b>Total Deferred Outflows of Resources</b>		<u><u>7,242,927</u></u>
<b>Total Assets &amp; Deferred Outflows of Resources</b>	\$	<u><u>28,910,297</u></u>

**LIABILITIES**

Payables		
Accounts payable	\$	327,597
Accrued liabilities		<u>19,678</u>
Due to other governments		<u>104</u>
Due to fiduciary funds		<u>8,346</u>
Retainage payable		
Bond interest and matured bonds		
Due to teachers' retirement		<u>740,322</u>
Due to employees' retirement		<u>74,728</u>
Notes payable		
Tax anticipation		
Revenue anticipation		
Bond anticipation		
Unearned credits		
Overpayments and collections in advance		
Unearned revenues - planned balance		
Unearned revenues - other		
Long-term liabilities		
Due and payable within one year		
Bonds payable		<u>1,118,382</u>
BANs refinanced on a long-term basis		
Installment purchase debt payable		
Due to teachers' retirement		
Due to employees' retirement		
Compensated absences		
Other Postemployment benefits payable		
Judgements and claims payable		
Due and payable after one year		
Due and payable after one year		
Bonds payable		<u>8,120,000</u>
Installment purchase debt payable		
Due to teachers' retirement		
Due to employees' retirement		
Compensated absences		
Net Pension Liability, Proportionate Share		<u>1,981,434</u>
Other Postemployment benefits payable		<u>42,323,943</u>
Judgements and claims payable		
<b>Total Liabilities</b>	\$	<u><u>54,714,534</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred revenue		14,000
Pensions		<u>1,629,979</u>
Other Post-employment Benefits		<u>743,137</u>
<b>Total Deferred Inflows or Resources</b>	\$	<u><u>2,387,116</u></u>

**NET POSITION**

Investment in capital assets, net of related debt		<u>6,611,565</u>
Restricted for:		
Reserves		1,442,800
Assigned		<u>143,954</u>
Unrestricted (deficit)		<u><u>(36,389,672)</u></u>
<b>Total Net Positions</b>	\$	<u><u>(28,191,353)</u></u>

**Greenwich Central School  
Statement of Activities  
and Changes in Net Positions  
For the Year Ended June 30, 2020**

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Positions
			Charges for Services	Operating Grants	
<b>FUNCTIONS/PROGRAMS</b>					
General support	\$ 2,184,319	\$	\$	\$	\$ 2,184,319
Instruction	11,096,849		58,092	526,866	10,511,891
Pupil transportation	616,382				616,382
Community service	146,423				146,423
Employee benefits	11,998,211				11,998,211
Debt service	259,954				259,954
Other expenses					
Depreciation - Unallocated		2,772,307			2,772,307
School lunch program	364,220		106,252	255,627	2,341
<b>Total Functions and Programs</b>	<b>\$ 26,666,358</b>	<b>\$ 2,772,307</b>	<b>\$ 164,344</b>	<b>\$ 782,493</b>	<b>\$ 28,491,828</b>
<b>GENERAL REVENUES</b>					
Real property taxes					11,396,994
Other tax items					
Nonproperty taxes					42,348
Use of money and property					62,690
Sale of property and compensation for loss					14,228
Miscellaneous					261,232
Interfund revenue					
State sources					9,952,696
Federal sources					51,025
Medicaid Reimbursement					
<b>Total General Revenues</b>					<b>21,781,213</b>
<b>Change in Net Position</b>					<b>(6,710,615)</b>
<b>Total Net Position - Beginning of year, As Previously Reported</b>					<b>(21,480,738)</b>
<b>Cumulative Change in Accounting Principle, Note 27</b>					
<b>Total Net Position - Beginning of year, As Restated</b>					<b>(21,480,738)</b>
<b>Total Net Position - End of year</b>					<b>\$ (28,191,353)</b>

Greenwich Central School  
Balance Sheet - Governmental Funds  
June 30, 2020

	General	Special Aid	School Lunch	Debt Service	Capital Project	Non-Major	Total Governmental Funds
<b>ASSETS</b>							
Cash	\$ 2,025,737	\$ 5,589	\$ 9,410	\$ 228,209	\$ 116,506		\$ 2,385,451
Restricted Investments	1,442,800						1,442,800
Investments							
Unrestricted							
Restricted							
Receivables							
Taxes							
Due from other funds	535,721			4,804			540,525
Due from fiduciary funds	3,303						3,303
State and Federal aid	440,144	316,262	25,252				781,658
Due from other governments	10,259						10,259
Other	594		48				642
Inventories			15,238				15,238
Deferred expenditures							
Capital assets, net							
Total Assets	\$ 4,458,558	\$ 321,851	\$ 49,948	\$ 233,013	\$ 116,506		\$ 5,179,876
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows							
Total Deferred Outflows of Resources							
<b>LIABILITIES</b>							
Payables							
Accounts payable	\$ 312,574	\$	\$	\$	\$ 15,023		\$ 327,597
Accrued liabilities	17,603	2,014	61				19,678
Due to other funds	10,852	319,837	15,936		202,245		548,870
Due to fiduciary funds							
Due to other governments			104				104
Retainage payable							
Due to Teachers' Retirement System	740,322						740,322
Due to Employees' Retirement System	74,728						74,728
Judgements & claims payable							
Bond interest and matured bonds							
Notes payable							
Tax anticipation							
Revenue anticipation							
Bond anticipation							
Deferred credits							
Overpayments and collections in advance							
Deferred revenues							
Planned balance							
Long-term liabilities							
Due to Teachers' Retirement System							
Due to Employees' Retirement System							
Compensated absences payable							
Other postemployment benefits payable							
Judgements & claims payable							
Other liabilities							
Total Liabilities	1,156,079	321,851	16,101		217,268		1,711,299
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue							
Sale of future revenues			14,000				14,000
Total Deferred Inflows of Resources			14,000				14,000
<b>FUND BALANCES</b>							
Nonspendable							
Restricted	1,442,800		15,238				1,458,038
Committed							
Assigned	143,954						143,954
Unassigned	1,715,725		4,609	233,013	(100,762)		1,852,585
Total Fund Balances	3,302,479		19,847	233,013	(100,762)		3,454,577
<b>Total Liabilities and Fund Balances</b>	\$ 4,458,558	\$ 321,851	\$ 49,948	\$ 233,013	\$ 116,506		\$ 5,179,876

See notes to financial statements

**Greenwich Central School**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash	\$ 3,828,251			\$ 3,828,251
Accounts receivable	642			642
Due from other funds	540,525		(540,525)	
Due from fiduciary funds	3,303			3,303
Due from other governments	10,259			10,259
Taxes receivable (city school districts)				
State & federal aid receivable	781,658			781,658
Inventories	15,238			15,238
Net Pension Asset, Proportionate Share		1,178,072		1,178,072
Mortgages receivable				
Land, buildings and equipment (net)		15,849,947		15,849,947
<b>Total Assets</b>	<b>\$ 5,179,876</b>	<b>\$ 17,028,019</b>	<b>\$ (540,525)</b>	<b>\$ 21,667,370</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions		5,283,963		5,283,963
Other Post-emploemnt Benefits		1,958,964		1,958,964
<b>Total Deferred Outflows of Resources</b>		<b>7,242,927</b>		<b>7,242,927</b>
<b>Total Assets &amp; Deferred Outflows of Resource:</b>	<b>\$ 5,179,876</b>	<b>\$ 24,270,946</b>	<b>\$ (540,525)</b>	<b>\$ 28,910,297</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 327,597			\$ 327,597
Accrued liabilities	19,678			19,678
Bonds payable		9,238,382		9,238,382
Bond anticipation notes payable				
Revenue anticipation notes payable				
Bond interest and matured bonds				
Due to other funds	548,870		(548,870)	
Due to other governments	104			104
Due to fiduciary funds			8,346	8,346
Retainage payable				
Due to teachers' retirement system	740,322			740,322
Due to employees' retirement system	74,728			74,728
Compensated absences				
Postemployment benefits		42,323,943		42,323,943
Net Pension Liability, Proportionate Share		1,981,434		1,981,434
Deferred revenues				
<b>Total Liabilities</b>	<b>\$ 1,711,299</b>	<b>\$ 53,543,759</b>	<b>\$ (540,524)</b>	<b>\$ 54,714,534</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	14,000			14,000
Pensions		1,629,979		1,629,979
Other Post-emploments Benefits		743,137		743,137
<b>Total Deferred Inflows of Resources</b>	<b>14,000</b>	<b>2,373,116</b>		<b>2,387,116</b>
<b>FUND BALANCE\NET POSITION</b>				
<b>Total Fund Balance\Net Position</b>	<b>3,454,577</b>	<b>(31,645,929)</b>	<b>(1)</b>	<b>(28,191,353)</b>
<b>Total Liabilities and Fund Balances/Net Position</b>	<b>\$ 5,179,876</b>	<b>\$ 24,270,946</b>	<b>\$ (540,525)</b>	<b>\$ 28,910,297</b>

See notes to financial statements

**Greenwich Central School  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2020**

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>						
Real property taxes	\$ 11,396,994	\$	\$	\$	\$	\$ 11,396,994
Other tax items						
Nonproperty taxes	42,348					42,348
Charges for services	58,092					58,092
Use of money and property	58,416			4,274		62,690
Sale of property and compensation for loss	14,228					14,228
Miscellaneous	261,132		100			261,232
Interfund revenue						
State sources	9,944,006	133,655	19,532		8,690	10,105,883
Medicaid reimbursement						
Federal sources	51,025	393,211	207,840			652,076
Surplus food			28,255			28,255
Sales - school lunch			106,252			106,252
<b>Total Revenues</b>	\$ 21,826,241	\$ 526,866	\$ 361,979	\$ 4,274	\$ 8,690	\$ 22,728,050
<b>EXPENDITURES</b>						
General support	1,988,105	196,214	145,309			2,329,628
Instruction	11,464,215	324,228				11,788,443
Pupil transportation	616,382					616,382
Community service	146,423					146,423
Employee benefits	5,181,417	40,037	60,293			5,281,747
Debt service						
Principal	1,067,197					1,067,197
Interest	259,954					259,954
Cost of sales			130,540			130,540
Other expenditures			28,078			28,078
Capital outlay					704,670	704,670
<b>Total Expenditures</b>	\$ 20,723,693	\$ 560,479	\$ 364,220	\$	\$ 704,670	\$ 22,353,062
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 1,102,548	\$ (33,613)	\$ (2,241)	\$ 4,274	\$ (695,980)	\$ 374,988
<b>OTHER FINANCING SOURCES AND USES</b>						
Proceeds from debt						
Operating transfers in					218,000	218,000
Operating transfers (out)		33,613	10,000			43,613
BANS redeemed from appropriations	(143,613)				100,000	(43,613)
Premium on obligations issued						
<b>Total Other Sources (Uses)</b>	(143,613)	33,613	10,000		318,000	218,000
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)</b>	958,935		7,759	4,274	(377,980)	592,988
<b>Fund Balances - Beginning of year</b>	2,343,544	\$	12,088	\$ 228,739	\$ 277,218	2,861,589
<b>Equit Transfers</b>						
<b>Fund Balances - End of year</b>	\$ 3,302,479	\$	19,847	\$ 233,013	\$ (100,762)	\$ 3,454,577

**Greenwich Central School**  
**Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in**  
**Fund Balance to the Statement of Activities**  
**For the Year Ended June 30, 20**

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
<b>REVENUES</b>					
Real property taxes	\$ 11,396,994	\$	\$	\$	\$ 11,396,994
Other tax items	42,348				42,348
Charges for services	58,092				58,092
Use of money and property	62,690				62,690
Sale of property and compensation for loss	14,228				14,228
Miscellaneous	261,232				261,232
Interfund revenue					
State sources	10,105,883				10,105,883
Medicaid reimbursement					
Federal sources	652,076				652,076
Surplus food	28,255				28,255
Sales - school lunch	106,252				106,252
<b>Total Revenues</b>	<b>\$ 22,728,050</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 22,728,050</b>
<b>EXPENDITURES/EXPENSES</b>					
General support	\$ 2,329,628	\$	\$	\$	\$ 2,329,628
Instruction	11,788,443		(691,594)		11,096,849
Pupil transportation	616,382				616,382
Community service	146,423				146,423
Employee benefits	5,281,747			6,776,757	12,058,504
Debt service	1,327,151			(1,067,197)	259,954
Cost of sales	130,540				130,540
Other expenditures	28,078				28,078
Depreciation - Unallocated			2,772,307		2,772,307
Capital outlay	704,670		(704,670)		
<b>Total Expenditures</b>	<b>\$ 22,353,062</b>	<b>\$</b>	<b>\$ 1,376,043</b>	<b>\$ 5,709,560</b>	<b>\$ 29,438,665</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 374,988	\$	\$ (1,376,043)	\$ (5,709,560)	\$ (6,710,615)
<b>OTHER SOURCES AND USES</b>					
Proceeds from debt	218,000			(218,000)	
Operating transfers in	43,613			(43,613)	
Operating transfers (out)	(43,613)			43,613	
BANs redeemed from appropriatons					
Premium on obligations issued					
<b>Total Other Sources (Uses)</b>	<b>\$ 218,000</b>	<b>\$</b>	<b>\$</b>	<b>\$ (218,000)</b>	<b>\$</b>
<b>Net Change for the Year</b>	<b>\$ 592,988</b>	<b>\$</b>	<b>\$ (1,376,043)</b>	<b>\$ (5,927,560)</b>	<b>\$ (6,710,615)</b>

**Greenwich Central School**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2020**

**Statement #7**

	Private Purpose Trusts	Agency
<b>ASSETS</b>		
Cash	\$ 71,947	\$ 148,473
Due from other funds		8,293
Accounts receivable		
Total Assets	\$ 71,947	\$ 156,766
<b>LIABILITIES</b>		
Due to governmental funds	\$ _____	\$ _____
Due to other funds		3,251
Extraclassroom activity balances		117,245
Other liabilities		36,262
Total Liabilities		\$ 156,758
<b>NET POSITION</b>		
Reserved for scholarships	\$ 71,947	

**Greenwich Central School**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2020**

**Statement #8**

	Private Purpose Trusts
<b>ADDITIONS</b>	
Gifts and contributions	\$ 7,151
Investment earnings	489
Total Additions	7,640
<b>DEDUCTIONS</b>	
Scholarships and awards	(12,874)
Change in valuation	
Total Deductions	(12,874)
Change in Net Position	(5,234)
Net Position - Beginning of year	77,180
Net Position - End of Year	\$ 71,946

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1 – Summary of certain significant accounting policies:**

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

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

A) Reporting entity:

The Greenwich 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 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the 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 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. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief 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 in the District's business offices. The district accounts for assets held as an agent for various student organizations in an agency fund.



Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

B) Joint venture:

The District is a component district in Washington Saratoga Warren Hamilton Essex Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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

During the year, the District was billed \$2,028,044 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$0 of serial bonds on behalf of BOCES. As of the year-end, the District had outstanding BOCES debt of \$0.

The District's share of BOCES aid amounted to \$161,223.

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.

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

The statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii) Fund financial statements:

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

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.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

- Special Aid Fund: Used to account for proceeds received from the State and Federal grants that are restricted for specific educational programs.
- School Lunch: Used to account for child nutrition activities whose funds are restricted as to use.
- Miscellaneous Special Revenue: Used to account for and report those revenues that are restricted and committed to expenditures for specified purposes.
- Public Library Fund: Used to account for and report transactions of a library established and supported in whole or in part by real property taxes.

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 projects are reported in separate columns in the

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of the capital asset up to the balance of related bonds outstanding.

The District reports the following fiduciary funds:

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

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

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

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 and 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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund 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

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

E) Property taxes:

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

Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pay an amount representing uncollected real property taxes transmitted to the County 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 positions 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.

G) Interfund transactions:

The operations of the district include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid with 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 Statements of Net Position for inter-fund receivables and payables represent amounts due between different types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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 an assumption that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I) Cash (and cash equivalents)/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 the date of acquisition.

New York State law governs the District's investments 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 deposits not covered by the 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.

J) Receivable (or Accounts receivable)

Receivables (accounts receivable) are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and prepaid items:

Inventories of food in the School Lunch Fund are recorded at cost on a first-in first-out basis, or in a case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the district for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A

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Notes to Financial Statements  
For the Year Ended June 30, 2020

current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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 issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

M) Capital Assets:

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The threshold for capitalization of Capital Assets was increased from \$1,000 in past years to \$5,000 starting during the 2007-2008 school year and moving forward.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	5,000	Straight-Line	50 years
Building improvements	5,000	Straight-Line	50 years
Site improvements	5,000	Straight-Line	20 years
Furniture and equipment	5,000	Straight-Line	5-10 years
Infrastructure	5,000	Straight-Line	20 years

Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The school district is required

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For the Year Ended June 30, 2020

to conduct a condition assessment of these assets at least once every three years.

N) Deferred Outflows and Inflows of Resources

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

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

O) 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 arises when resources are received by the district before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the district has legal claim to resources, the liability for unearned revenues is removed and the revenue is recognized.

P) Vested employee benefits

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

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

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

In the funds statements only the amount 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.

Q) Other Benefits:

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

In addition to providing pension benefits, the District provides post-employment health 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 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 District recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditure.

R) 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 RAN's and TAN's 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.



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Notes to Financial Statements  
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The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables, and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits 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.

T) Net Position/Fund Balance

Net Position Flow Assumption:

Sometimes the District will fund outlays for 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.

The Board has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at the maximum allowed by law. This amount is intended to provide financial stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source, as dictated by current circumstances, the policy provides for action to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

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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 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 determine next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

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

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

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

Fund Statements:

**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 Lunch Fund of \$15,238.

**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. All encumbrances of funds other than the General fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

Capital Reserve

Capital Reserve (Educational Law §3651) is used to pay the cost of any objector purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only from a specific purpose further authorized by the voters. The form for the required legal notice for the vote on the

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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 under Restricted Fund Balance.

#### Repair Reserve

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

#### Workers' Compensation

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

#### Unemployment Insurance Reserve

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

#### Debt Service

According to General Municipal Law §6-1, 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 the proceeds of the sale of the District property or capital improvement.

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Insurance Reserve

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

Liability Claims and Property Loss

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

Tax Certiorari

According to Education Law §3651.1-a 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 the 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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to serve 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.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, 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.

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Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the funds must be provided to the Board.

**Restricted Fund Balance includes the following:**

General Fund	\$	0
Capital		0
Debt Service		0
Employee Benefit Accrued Liability		150,000
Insurance		32,000
Liability Claims and Property Loss		0
Repairs		0
Retirement Contributions ERS		770,000
Retirement Contributions TRS		345,000
Uncollected Taxes in a City School District		0
Unemployment Insurance		145,800
Worker's Compensation		0
Capital Fund*		0
Debt Service Fund*		0
Special Aid Fund*		0
School Lunch Fund*		0
		0
total restricted funds	\$	1,442,800

\*includes remaining fund balance in these funds not otherwise classified as nonspendable, committed or assigned

**Committed** – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2020.

**Assigned** – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the general fund amounted to \$43,305. Assigned, also includes an amount appropriated to partially fund the subsequent year, this amount is \$100,649.

**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 and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. In accordance with state guidelines, unassigned fund balance in the general fund includes the following reserve:

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Reserve for Tax Reduction

Reserve for Tax Reduction (Education Law §1604(36) and §1709(37)) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. The reserve is accounted for in the general fund.

Unassigned Fund Balance:

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

U) Implementation of New Accounting Standards

The District has adopted and implemented the following (all) current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2020:

GASB has issued statement no. 83, Certain Retirement Obligations	Effective for the year ending June 30, 2020
<i>GASB has Issued Statement no 88, Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements.</i>	Effective for the year ending June 30, 2020

V) Future Changes in Accounting Standards

<i>GASB has issued statement No. 84, Fiduciary Activities</i>	Effective for the year ending June 30, 2021
<i>GASB has issued statement No. 87, Leases</i>	Effective for the year ending June 30, 2021
<i>GASB has issued statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.</i>	Effective for the year ending June 30, 2021
<i>GASB has issued statement No. 91, Conduct Debt Obligations.</i>	Effective for the year ending June 30, 2023

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

**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

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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 Statement of Activities, 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 differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three 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.

- ii) Capital related differences:

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

- iii) Long-term debt transaction differences:

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

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iv) 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

v) OPEB difference:

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, 2020, the District implemented GASB Statement No. 83, Certain Asset Retirement Obligations and GASB Statement No. 88, Certain Disclosures Related to Debt.

**Note 4 – Stewardship and compliance:**

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 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, of the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

Budgets are established and used for individual capital project funds expenditures as approved by a specific referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus



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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

Encumbrances 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 –ends are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

The District’s unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District’s budget for the upcoming school year. The district plans to address this by continuing to appropriate a responsible amount of fund balance annually to reduce the tax burden on its constituents.

**Note 5 – Cash (and cash equivalents) - custodial credit, concentration of credit, interest rate and foreign currency risks:**

#### Cash

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:

Uncollateralized	\$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$	3,828,251

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$1,442,800 within the governmental funds and \$0 in the fiduciary funds.

#### 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.

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Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 Credit 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 organization.

**Note 6 – Investments**

The District did not participate in any multi-municipal cooperative investment pool agreement, pursuant to New York General Municipal Law Article 5-G, § 119-0, as of the year end June 30, 2020.

**Note 7 – Receivables**

Receivables at year-end for individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

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Description	Governmental Activities				Total
	General	Special Aid	School Lunch	Non-major	
Accounts Receivable	\$ 594	\$ 0	\$ 48	\$ 0	\$ 642
Due from other Gov'ts	10,259	0	0		10,259
Due from State and Federal	440,144	316,262	25,252	0	781,658
<b>Total</b>	<b>\$ 450,997</b>	<b>\$ 316,262</b>	<b>\$ 25,300</b>	<b>\$ 0</b>	<b>\$ 792,559</b>

District management has deemed the amounts to be fully collectible.

**Note 8 – Capital assets:**

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 842,083	\$ 0	\$ 0	\$ 842,083
Total nondepreciable historical cost	842,083	0	0	842,083
Capital assets that are depreciated:				
Buildings	\$ 34,008,893	\$ 0	\$ 2,839,657	\$ 31,169,236
Furniture and equipment	4,857,497	4,235,921	0	9,093,418
Total depreciable historical cost	38,866,390	4,235,921	2,839,657	40,262,654
Less accumulated depreciation:				
Buildings	\$ 19,079,379	\$ 0	\$ 896,740	\$ 18,182,639
Furniture and equipment	3,403,104	3,669,047	0	7,072,151
Total accumulated depreciation	22,482,483	3,669,047	896,740	25,254,790
Capital assets, net	17,225,990	566,874	1,942,917	15,849,947

Governmental functions as follows:

Depreciation not charged to a Specific function	\$ 2,772,307
	<u>\$ 2,772,307</u>

**Note 9– Short-term debt:**

As of June 30, 2020, the district had the following short-term debt transactions.

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

Interest Paid	\$	0
Less Interest accrued in the prior year		0
Plus interest accrued in the current year		0
		0
Total Expense	\$	0

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN'S	\$ 0	\$ 0	\$ 0	\$ 0
Totals	\$ 0	\$ 0	\$ 0	\$ 0

**Note 10– Long-term debt 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.

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	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
Bonds and notes payable:					
General obligation debt:					
Serial Bonds	\$ 10,087,579	\$ 218,000	\$ 1,067,197	\$ 9,238,382	\$ 1,118,382
Total bonds & notes payable	\$ 10,087,579	\$ 218,000	\$ 1,067,197	\$ 9,238,382	\$ 1,118,382
Other liabilities:					
Retirees health insurance	39,581,681	2,742,262	0	42,323,943	0
Total other liabilities	\$ 39,581,681	\$ 2,742,262	\$ 0	\$ 42,323,943	\$ 0
Total long-term liabilities	\$ 49,669,260	\$ 2,960,262	\$ 1,067,197	\$ 51,562,325	\$ 1,118,382

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

Existing serial and statutory bond obligations:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at year end</u>
Serial Bonds 2,230,584	06/15/07	2023	4.02%	\$ 475,000
Serial Bonds 2,040,000	6/26/13	2028	3.47%	1,165,000
Serial Bonds 2,045,000	6/24/15	2030	2.39%	1,415,000
Serial Bonds 6,085,000	6/21/16	2031	2.11%	4,500,000
Serial Bonds 221,531	9/16/16	2020	2.96%	55,382
Serial Bonds 1,380,000	6/15/17	2032	2.62%	1,125,000
Serial Bonds 208,000	6/15/18	2022	2.38%	110,000
Serial Bonds 230,000	6/15/19	2023	2.59%	175,000
Serial Bonds 218,000	8/15/19	2023	2.59%	218,000
Total				\$ 9,238,382

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2021	1,118,382	233,102	1,351,484
2022	1,070,000	204,690	1,274,690
2023	1,005,000	177,403	1,182,403
2024	845,000	151,193	996,193
2025	805,000	159,169	964,169
2026-2030	3,730,000	336,581	4,066,581
2031-2035	665,000	22,950	687,950
Total	\$ 9,238,382	\$ 1,285,088	10,523,470

The District is not obligated under any operating or capital leases as of June 30, 2020.

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

Interest Paid	\$	259,954
Less Interest accrued in the prior year		0
Plus interest accrued in the current year		<u>0</u>
Total Expense	\$	<u>259,954</u>

**Note 11 – Pension plans:**

General Information:

The District participates in the New York State Employees' Retirement System (NYSERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Provisions and administration:

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

Funding policies:

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

The District's share of the required contributions for the current year and two preceding years based on covered payroll paid for the District was:

		NYSTRS		NYSERS
2020	\$	710,111	\$	284,302
2019	\$	855,852	\$	337,374
2018	\$	780,755	\$	339,455

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. The legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over the 17 year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised. As a result, the total unpaid liability at the end of the year was \$0.

The State Legislature authorized local governments to make available retirement incentive programs with estimated total costs of \$956,087. Of which \$956,087 was charged to expenditures in the governmental Funds in the current fiscal year.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

	<u>ERS</u> 31-Mar-20	<u>TRS</u> 30-Jun-19
Measurement date		
District's proportionate share of the net pension asset/(liability)	\$ (547,931)	\$ 825,747
District's portion of the Plan's total net pension asset/(liability)	0.0077334 %	0.045665 %

For the year ended June 30, 2020, the District's recognized pension expense of \$710,496 for ERS and the actuarial value \$1,499,622 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 116,615	\$ 798,349	\$ 34,450	\$ 87,604
Changes of assumptions	\$ 39,897	\$ 2,225,537	\$ -	\$ 542,649
Net difference between projected and actual earnings on pension plan investments	\$ 1,015,779	\$ -	\$ -	\$ 944,753
Changes in proportion and differences between the District's contributions and proportionate share of contributions	\$ 78,296	\$ 194,440	\$ 16,237	\$ 4,286
District's contributions subsequent to the measurement date	\$ 74,728	\$ 740,322	\$ -	\$ -
Total	<u>\$ 1,325,315</u>	<u>\$ 3,958,648</u>	<u>\$ 50,687</u>	<u>\$ 1,579,292</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.



Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:		
2020	\$ 219,991	\$ 575,709
2021	\$ 308,560	\$ 76,551
2022	\$ 376,342	\$ 573,778
2023	\$ 295,006	\$ 387,722
2024	\$ -	\$ 59,239
thereafter	\$ -	\$ (33,966)

are based on July 1, 2011 – June 30, 2019 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale AA. For ERS, annuitant mortality rates are based on the April 1, 2012 ACTUARIAL ASSUMPTIONS

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.8%	7.10%
Salary scale	3.80%	1.90% - 4.72%
Decrement tables	April 1, 2012 - March 31, 2017 System's Experience	1-Jul-11 June 30, 2016 System's Experience
Inflation rate	2.50%	2.50%

For ERS, annuitant mortality rates – March 31, 2016 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 – June 30, 2016. For ERS, the actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2012 – March 31, 2017

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

<u>ERS</u>	<b>Long-term expected Real rate of return*</b>
	<u>2020</u>
Asset Class:	
Domestic equities	4.05%
International equities	6.15
Private Equity	6.75
Real estate	4.95
Absolute return strategies	3.25
Opportunistic portfolio	4.65
Real assets	5.95
Bonds and mortgages	.75
Cash	(0.00)
Inflation-Indexed bonds	.50

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

<u>TRS</u>	<b>Long-term expected Real rate of return*</b>
	<u>2020</u>
Asset Class:	
Domestic equities	6.3%
International equities	7.8
Real estate	4.6
Private equities	9.9
Total equities	
Domestic fixed income securities	1.3
Global fixed income securities	0.9
High-yield fixed income securities	3.6

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

Real Estate	2.9
Private Debt	6.5
Short-term	0.3

DISCOUNT RATE

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

SENSITIVITY OF THE PROPORTIONATE SHARE FO THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30,2020 calculated using the discount rate of 6.8% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.8% for ERS and 6.1% for TRS ) or 1-percentagepoint higher (7.8% for ERS and 8.1% for TRS) than the current rate :

ERS	1% Decrease <u>(5.8%)</u>	Current Assumption <u>(6.8%)</u>	1% Increase <u>(7.8%)</u>
Employer's proportionate Share of the net Pension asset (liability)	\$ (3,636,490)	\$ (1,981,434)	\$(457,120)
 TRS	 1% Decrease <u>(6.1%)</u>	 Current Assumption <u>(7.1%)</u>	 1% Increase <u>(8.10%)</u>
Employer's proportionate Share of the net Pension asset (liability)	\$ (5,317,695)	\$ 1,178,072	\$ 6,627,288

PENSION PLAN FIDUCIARY NET POSITION

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

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

	<u>ERS</u>		<u>TRS</u>		<u>Total</u>
Valuation date	March 31, 2020		June 30, 2019		
Employers' total pension	\$ (1,981,434)	\$	1,178,072	\$	(803,362)
Plan Net Poition	\$ -	\$	-	\$	-
Employers' net pension	\$ (1,981,434)	\$	1,178,072	\$	(803,362)

**PAYABLES TO THE PENSION PLAN**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$74,728.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$740,322.

**Note 12 – Interfund Balances and Activity:**

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 539,024	10,852	0	380,593
Special Aid Funds	0	319,837	30,593	0
School Lunch Fund	0	15,936	0	0
Debt Service Fund	4,804	0	0	0
Capital Funds	0	202,245	350,000	0
<b>Total governmental activities</b>	<b>543,828</b>	<b>548,870</b>	<b>380,593</b>	<b>380,593</b>
Fiduciary Agency Fund	8,293	3,251	0	0
<b>Total</b>	<b>\$ 552,121</b>	<b>552,121</b>	<b>380,593</b>	<b>380,593</b>

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

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

All interfund payables are expected to be repaid within one year.

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 13a – Postemployment (health insurance) Benefits/ Prior period adjustment**

A. General Information about the OPEB Plan

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	129
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	155
	284

B. Total OPEB Liability

The District’s total OPEB liability of \$42,323,943 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.51%
Salary Increases	3.80%
Discount Rate	3.51%
Healthcare Cost Trend Rates	8.0% for 2020, decreasing 0.5% per year to an ultimate rate of 5.0% for 2027 and later years
Retirees’ Share of Benefit-Related Costs	Based on negotiated contracts in place

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

The discount rate was based on Bond Buyer GO-20 municipal bond index.

Mortality rates were based on RP-2014 mortality table, as appropriate, with adjustments for mortality improvements based on Scale MP-2014.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2020.

C. Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ <u>39,581,681</u>
<u>Changes for the Year-</u>	
Service Cost	1,139,087
Interest	1,527,841
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	1,419,601
Benefit payments	<u>(1,344,266)</u>
Net Changes	<u>2,742,262</u>
Balance at June 30, 2020	\$ <u>42,323,943</u>

Changes of benefit terms reflect.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2019 to 3.51% in 2020.

*Sensitivity of the Total OPEB liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	<u>1%</u> <u>Decrease</u>	<u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	\$ <u>46,653,615</u>	\$ <u>42,323,943</u>	\$ <u>37,865,633</u>

*Sensitivity of the Total OPEB Liability to Change 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 (7%) or 1 percentage point higher (8%) than the current healthcare cost trend rate:

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

	1% Decrease (starts at 7%)		Healthcare Trend Rate (starts at 8%)		1% Increase (starts at 9%)
Total OPEB Liability	\$ 37,865,633	\$	42,426,831	\$	46,559,275

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 \$2,258,268. At June 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	\$	574,370	\$	0
Changes of assumptions or other inputs		0		(743,137)
Contributions subsequent to the measurement period		1,384,594		0
Total	\$	1,958,964	\$	(743,137)

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

Fiscal Year Ending June 30, 2020		Amount
2021	\$	791,573
2022		791,573
2023		791,573
2024		18,282
2025		(283,920)
Thereafter		0
	\$	2,109,080

**Note 14 – Risk management:**

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 coverage for the past two years.

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**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 – Lease Obligations (operating leases):**

The district did not have any operating leases in place as of June 30, 2020.

The District had a capital lease obligations for a lighting project which requires annual lease payments of \$37,873.92, with a total of future payments equaling \$312,459.84.

**Note 17 – Donor-restricted endowments:**

The District had no donor-restricted endowments for the year ended June 30, 2020.

**Note 18 – On-behalf-of payments:**

During the year, the District did not make any payments to a third party (or received payments from another government) for fringe benefits and salaries of another legally separate entity, in the aggregate amount of \$0.

**Note 19 – Tax abatements:**

The District negotiates property tax abatement agreements on an individual basis. The District has tax abatement agreements with 4 entities as of June 30, 2020, total taxes reduced equaled \$5,200.06

**Note 20 – Overpayments:**

The District had no overpayments for the year ended June 30, 2020.

**Note 21 - Related Party transactions:**

The District has no related party transactions to report as June 30, 2020.

**Note 22 – Discretely presented component units:**

The District has no component units.

**Note 23 - Derivatives not reported at fair value on the Statement of Net Position:**

For the year ended June 30, 2020, the District did not have any derivatives to report.



Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 24 – Impairment losses and insurance recoveries:**

For the year ended June 30, 2020, the District has no impairment losses or insurance recoveries.

**Note 25 – Subsequent events:**

On August 13, 2020, the Division of the Budget (DOB) issued the FY 2021 First Quarterly State Budget Financial Plan Update which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June, which includes 3609- a General Aid, , 3609-b Excess Cost Aid, 3609-d BOCES Aid payments, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. DOB's Updated Financial Plan includes \$8.2 billion in recurring local aid reductions, and states that the earliest DOB expects to transmit a detailed aid-to-localities reduction plan to the Legislature is late in the second quarter of the State's FY 2021, and that, in the absence of unrestricted Federal Aid, the DOB will continue to withhold a range of payments through the second quarter of FY 2021.

**Note 26 – Real Estate held as investments by endowments:**

The District has no real estate held as investments by endowments to disclose.

**Note 27 – Prior Period Adjustments:**

There were no prior period adjustments to report for the year ended June 30, 2020.

**Note 28 – COVID-19:**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The outbreak and continuing effects of the COVID-19 health crisis in the State has had and is expected to have a significantly adverse effect on the State's financial condition. On April 25, 2020 the New York State Division of the Budget announced that the FY 2021 Enacted State Budget Financial Plan (the "Financial Plan") projects a \$13.3 billion shortfall, or 14%, in revenue from the Executive Budget Forecast released in January and estimates a \$61 billion decline through FY 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by \$10.1 billion from the Executive Budget. This represents a \$7.3 billion reduction in state spending from FY 2020 levels. The \$10.1 billion in spending reductions from the levels proposed in the Executive Budget include a \$8.2 billion reduction in "aid-to-localities", a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and the State's not-for-profit partners. The dramatic decline in the State General Fund receipts is not a one-year problem. The Division of the Budget expects the reduced receipts to carry through each subsequent year of the four year Financial Plan, creating a total loss of \$60.5 billion through FY 2024 compared to the Executive Budget. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State

Greenwich Central School District  
Notes to Financial Statements  
For the Year Ended June 30, 2020

spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

**Greenwich Central School**  
**Schedule of Funding Progress - Other Post Employment Benefits**  
**For the Year Ended June 30, 2020**

	<u>2019</u>
Measurement Date	7/1/2018
Total OPEB Liability	
Service Cost	\$ 1,833,955
Interest	1,364,753
Changes in benefit terms	(360,841)
Difference between expected and actual experience in the measurement of the total OPEB liability	957,283
Changes of assumptions or other inputs	(553,728)
Benefit payments	<u>(1,305,113)</u>
Net Change in total OPEB liability	1,936,309
Total OPEB liability - beginning	<u>37,645,372</u>
Total OPEB liability - ending	<u>\$ 39,581,681</u>
Covered payroll	<u>\$ 10,309,539</u>
Total OPEB liability as a percentage of covered payroll	383.93%

**Greenwich Central School**  
**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, 2020**

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance With Budgetary Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Real property taxes	11,257,623	11,400,046	11,396,994	\$	(3,052)
Other tax items	37,240	37,240	42,348		5,108
Nonproperty taxes					
Charges for services	59,330	59,330	58,092		(1,238.00)
Use of money and property	70,000	70,000	58,416		(11,584.00)
Sale of property and compensation for loss	0	6,871	14,228		7,357.00
Miscellaneous	155,000	155,000	261,132		106,132.00
Forfeitures			0		0.00
<b>Total Local Sources</b>	<b>11,579,193</b>	<b>11,728,487</b>	<b>11,831,210</b>		<b>102,723.00</b>
<b>State Sources</b>	<b>10,051,766</b>	<b>10,051,766</b>	<b>9,944,006</b>		<b>(107,760.00)</b>
Medicaid Reimbursement					0.00
<b>Federal Sources</b>	<b>40,000</b>	<b>40,000</b>	<b>51,025</b>		<b>11,025.00</b>
Retirement System Credits					
<b>Total Revenues</b>	<b>21,670,959</b>	<b>21,820,253</b>	<b>21,826,241</b>		<b>5,988</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	0	0	0		0
<b>Total Reserves and other financing sources</b>	<b>21,670,959</b>	<b>21,820,253</b>	<b>21,826,241</b>	<b>\$</b>	<b>5,988</b>
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of education	12,450	13,100	11,088	0	2,012
Central administration	214,980	214,980	211,603	0	3,377
Finance	254,253	263,278	255,305	0	7,973
Staff	62,400	63,805	48,703		15,102
Central services	1,389,778	1,407,861	1,229,926	11,045	166,890
Special items	225,662	235,202	231,480	0	3,722
<b>Total General Support</b>	<b>2,159,523</b>	<b>2,198,226</b>	<b>1,988,105</b>	<b>11,045</b>	<b>199,076</b>
<b>Instruction</b>					
Instruction, administration and improvement	642,773	652,957	633,135	0	19,822
Teaching - regular school	5,855,635	6,006,441	5,830,882	0	175,559
Programs for children with handicapping conditions	3,676,972	3,623,733	3,433,316	27,415	163,002
Occupational education					
Teaching - special school	19,450	15,800	9,994		5,806
Instructional media	727,788	751,938	729,475	165	22,298
Pupil services	949,588	962,276	827,413	3,990	130,873
<b>Total Instructional</b>	<b>11,872,206</b>	<b>12,013,145</b>	<b>11,464,215</b>	<b>31,570</b>	<b>517,360</b>
Pupil Transportation	778,254	803,684	616,382	690	186,612
Community Services	4,000	146,423	146,423		0
Employee Benefits	5,692,140	5,543,930	5,181,417		362,513
Debt Service	1,330,587	1,330,587	1,327,151		3,436
<b>Total Expenditures</b>	<b>21,836,710</b>	<b>22,035,995</b>	<b>20,723,693</b>	<b>43,305</b>	<b>1,268,997</b>
<b>OTHER FINANCING USES</b>					
Transfers to other funds	140,000	143,650	143,613		37
<b>Total Expenditures and Other Uses</b>	<b>21,976,710</b>	<b>22,179,645</b>	<b>20,867,306</b>	<b>43,305</b>	<b>1,269,034</b>
<b>Net change in fund balances</b>	<b>(305,751)</b>	<b>(359,392)</b>	<b>958,935</b>		
Fund Balance - beginning	2,343,544	2,343,544	2,343,544		
Fund Balance - ending	<u>2,037,793</u>	<u>1,984,152</u>	<u>3,302,479</u>		

See paragraph on supplementary schedules included in auditor's report

**Greenwich Central School  
Schedule of Change from Adopted Budget to Final Budget  
And Use of Unreserved Fund Balance - General Fund  
For the Year Ended June 30, 2020**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget		\$ 21,976,710
Add: Prior year's encumbrances		53,641
Original Budget		22,030,351
Budget revision:		
Add: Library		
Add: Capital Projects Transfer		
Final Budget:		\$ 22,030,351

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

2020-21 Voter approved expenditure budget		\$ <u>21,976,710</u>
Maximum allowed (4% of 2020-21 budget)		\$ <u>879,068</u>

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

Total fund balance		\$ <u>3,302,479</u>
Less:		
Appropriated fund balance		100,649
Encumbrances included in committed and assigned fund balance		43,305
Restricted fund balance		<u>1,442,800</u>
Total Reserves		\$ <u>1,586,754</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		\$ 1,715,725
Actual percentage		7.807 %

Greenwich Central School  
 Schedule of Project Expenditures-Capital Projects Fund  
 For the Year Ended June 30, 2020

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing		Fund Balance June 30, 2020
			Prior Year's	Current Year	Total			State Aid	Local Sources	
Capital Project #1										
BUS PURCHASE	220,000	220,000	0	218,164	218,164	1,836	218,000		218,000	(164)
Capital Project #2										
2018 - 8,100,000 Buiding Project	8,100,000	8,100,000	68,592	377,815	446,407	7,653,593	0	0	0	(446,407)
	8,100,000	8,100,000	68,592	377,815	446,407	7,653,593	0	0	0	(446,407)
Capital Project #3										
HEAT CONVERSION - FIELD	9,585,000	9,585,000	9,350,566	0	9,350,566	234,434	9,510,000		9,510,000	159,434
	9,585,000	9,585,000	9,350,566	0	9,350,566	234,434	9,510,000	0	9,510,000	159,434
Capital Project #4										
SMART SCHOOL BOND	520,345	520,345	507,716	0	507,716	12,629		507,716	507,716	0
	520,345	520,345	507,716	0	507,716	12,629	0	507,716	507,716	0
Capital Project #5										
AG EQUIPMENT GRANT	500,000	500,000	475,614	8,690	484,304	15,696		484,304	484,304	0
	500,000	500,000	475,614	8,690	484,304	15,696	0	484,304	484,304	0
Capital Project #6										
\$100,000.00 Project	100,000	100,000	0	100,000	100,000	0		0	100,000	0
	100,000	100,000	0	100,000	100,000	0	0	0	100,000	0
Non-Major capital projects										186,376
FUND BALANCE - PRIOR YEARS PROJECTS	0	0	0	0	0	0	0	0	0	186,376
Totals	19,025,345	19,025,345	10,402,488	704,670	11,107,158	7,918,187	9,728,000	992,020	10,820,020	(100,762)

See Paragraph on supplementary schedules included in auditor's report

**Greenwich Central School  
Combined Balance Sheet -  
Non-Major Governmental Funds  
June 30, 2020**

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Total</u>
<b>Assets</b>			
Unrestricted Cash	\$ <u>5,589</u>	\$ <u>9,410</u>	\$ <u>14,999</u>
Restricted Cash	<u>          </u>	<u>          </u>	<u>          </u>
Unrestricted Investments	<u>          </u>	<u>          </u>	<u>          </u>
Restricted Investments	<u>          </u>	<u>          </u>	<u>          </u>
State and Federal Aid Receivable	<u>316,262</u>	<u>25,252</u>	<u>341,514</u>
Due from Other Governments	<u>          </u>	<u>          </u>	<u>          </u>
Other Receivables, Net	<u>          </u>	<u>48</u>	<u>48</u>
Due From Other Funds	<u>          </u>	<u>          </u>	<u>          </u>
Inventories	<u>          </u>	<u>15,238</u>	<u>15,238</u>
Deferred Expenditures	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ <u><u>321,851</u></u>	\$ <u><u>49,948</u></u>	\$ <u><u>371,799</u></u>
<b>Liabilities</b>			
Accounts Payable	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>
Accrued Liabilities	<u>2,014</u>	<u>          </u>	<u>2,014</u>
Due to Other Governments	<u>          </u>	<u>103</u>	<u>103</u>
Due to Other Funds	<u>319,837</u>	<u>15,936</u>	<u>335,773</u>
Due to Teachers' Retirement System	<u>          </u>	<u>          </u>	<u>          </u>
Due to Employees' Retirement System	<u>          </u>	<u>          </u>	<u>          </u>
Other Liabilities	<u>          </u>	<u>          </u>	<u>          </u>
Deferred Revenues	<u>          </u>	<u>14,000</u>	<u>14,000</u>
Total Liabilities	<u>321,851</u>	<u>30,039</u>	<u>351,890</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	<u>          </u>	<u>          </u>	<u>          </u>
Reserved for Inventory	<u>          </u>	<u>15,238</u>	<u>15,238</u>
Unreserved - Designated for Subsequent Year's Expenditures	<u>          </u>	<u>          </u>	<u>          </u>
Unreserved - Undesignated	<u>          </u>	<u>4,671</u>	<u>4,671</u>
Total Fund Balances	<u>          </u>	<u>19,909</u>	<u>19,909</u>
Total Liabilities and Fund Balances	\$ <u><u>321,851</u></u>	\$ <u><u>49,948</u></u>	\$ <u><u>371,799</u></u>

See Paragraph on Supplementary Schedules Included in Auditors' Report

**Greenwich Central School**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2020**

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Total</u>
Revenues			
Charges for Services	\$ _____	\$ _____	\$ _____
Use of Money and Property	_____	_____	_____
Sale of Property and Compensation for Loss	_____	_____	_____
Miscellaneous	_____	100	100
State Sources	133,655	19,532	153,187
Federal Sources	393,211	236,095	629,306
Sales	_____	106,252	106,252
Total Revenues	<u>526,866</u>	<u>361,979</u>	<u>888,845</u>
Expenditures			
General Support	196,214	145,309	341,523
Instruction	324,228	_____	324,228
Pupil Transportation	_____	_____	_____
Community Services	_____	_____	_____
Employee Benefits	40,037	60,293	100,330
Cost of Sales	_____	130,540	130,540
Other Expenses	_____	28,078	28,078
Total Expenditures	<u>560,479</u>	<u>364,220</u>	<u>924,699</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(33,613)</u>	<u>(2,241)</u>	<u>(35,854)</u>
Other Sources and Uses			
Operating Transfers In	33,613	10,000	43,613
Operating Transfers (Out)	_____	_____	_____
Reserve Revenues	_____	_____	_____
Reserve Expenditures	_____	_____	_____
Total Other Sources and Uses	<u>33,613</u>	<u>10,000</u>	<u>43,613</u>
Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses	_____	<u>7,759</u>	<u>7,759</u>
Fund Balances, Beginning of Year	_____	<u>12,088</u>	<u>12,088</u>
Fund Balances, End of Year	\$ _____	\$ <u>19,847</u>	\$ <u>19,847</u>



**Supplemental Schedule #7**

**Greenwich Central School  
Investments in Capital Assets, Net of Related Debt  
For the Year Ended June 30, 2020**

Capital Assets, net		\$ <u>15,849,947</u>
Add:		
Unamortized bond issuance costs	_____	
Discount on bonds payable	_____	
Other(list)	_____	
Deduct:		
Bond anticipation notes	_____	
Premium on bonds payable	_____	
Short-term portion of bonds payable	1,118,382	
Long-term portion of bonds payable	<u>8,120,000</u>	
Less: unspent bond preceeds	_____	
Short-term portion of capital leases	_____	
Long-term portion of capital leases	_____	
Other short of long-term debt related to capital assets	_____	
Other (list)	_____	<u>9,238,382</u>
Investment in capital assets, net of related debt		\$ <u><u>6,611,565</u></u>

Greenwich Central School  
 Schedule of District Contributions  
 For the year ended June 30, 2020

*Teachers' Retirement System*

	<u>2020</u>
Contractually required contribution	803,813
Contributions in relation to the contractually required contributions	<u>803,813</u>
Contribution deficiency (excess)	<u>-</u>
District's covered payroll	<u>8,014,797</u>
Contributions as a percentage of covered-employee payroll	<u>10.03%</u>

*Employees' Retirement System*

	<u>2020</u>
Contractually required contribution	306,820
Contributions in relation to the contractually required contributions	<u>306,820</u>
Contribution deficiency (excess)	<u>-</u>
District's covered payroll	<u>2,610,541</u>
Contributions as a percentage of covered payroll	<u>11.75%</u>

**Greenwich Central School**  
**Schedule of District's Proportionate Share of the Net Pension Liability**  
**For the year ended June 30, 2020**

***Teachers' Retirement System***

	<b>2020</b>
District's proportion of the net pension liability	0.045345%
District's proportionate share of the net pension asset (liability)	1,178,072
District's covered payroll	8,014,797
District's proportionate share of the net pension liability as a percentage of its covered payroll	14.70%
Plan fiduciary net position as a percentage of the total pension liability	100.00%

***Employees' Retirement System***

	<b>2020</b>
District's proportion of the net pension liability	0.0074826%
District's proportionate share of the net pension asset (liability)	(1,981,434)
District's covered payroll	2,610,541
District's proportionate share of the net pension liability as a percentage of its covered payroll	75.90%
Plan fiduciary net position as a percentage of the total pension liability	100.00%

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The Board of Education  
Greenwich Central School District

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

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 government activities and each major fund of Greenwich Central School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2020.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a significant deficiency, or 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 con-

sider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

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

September 30, 2020

*Beecher & Bethel, LLP*

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**INDEPENDENT AUDITOR'S REPORT**

The Board of Education  
Greenwich Central School District

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Greenwich Central School District Extraclassroom Activity Funds which comprise the cash and fund balances resulting from cash transactions, and the related statement of cash receipts and cash disbursements as of June 30, 2020 of the Greenwich Central School District's Extraclassroom Activity Funds for the year ended June 30, 2020, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and cash disbursements method, an Other Comprehensive Basis of Accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash and fund balances resulting from cash transactions of the Extraclassroom Activity Funds, of the Greenwich Central School District for the year ended June 30, 2020, and the cash receipts and cash disbursements for the year then ended, on the basis of accounting described in Note 1.

September 30, 2020

*Beecher & Bethel, LLP*

Greenwich Central School  
 Extraclassroom Activity Funds  
 Cash Receipts and Cash Disbursements  
 June 30, 2020

Activities	Balance June 30, 2019	Receipts	Disbursements	Balance June 30, 2020
Class of 2019	1,533.52	50.00	1,583.52	0.00
Class of 2020	5,637.27	891.95	3,886.11	2,643.11
Class of 2021	3,476.31	17,208.08	6,106.15	14,578.24
Class of 2022	2,534.42	644.15	0.00	3,178.57
Class of 2023	3,319.31	2,503.50	1,412.50	4,410.31
Class of 2024	2,042.96	3,828.54	478.88	5,392.62
Class of 2025	0.00	3,467.77	79.83	3,387.94
Art Club	206.27	0.00	0.00	206.27
Band	8,171.33	5,618.38	394.95	13,394.76
Bank Charges	1,696.19	910.11	0.00	2,606.30
Baseball Club	19.06	2,282.00	2,070.00	231.06
Book Buyers Club	548.12	21.34	0.00	569.46
Boy's Basketball	0.00	3,880.00	3,490.69	389.31
Boy's Lacrosse	99.12	0.00	0.00	99.12
BMO Financial Group	0.00	2,576.81	2,576.81	0.00
Cheerleaders	1,313.17	10,471.50	6,718.40	5,066.27
Chorus	3,379.19	0.00	1,053.91	2,325.28
Drama Club	3,013.54	2,505.00	3,031.86	2,486.68
Elementary Library	2,592.68	11,493.08	10,417.34	3,668.42
Field Hockey	596.96	2,418.00	1,665.91	1,349.05
Fitness Club	0.00	0.00	0.00	0.00
Football	1,785.71	3,362.00	1,554.93	3,592.78
French Club	4,007.59	22,320.00	21,838.50	4,489.09
Future Business Leaders	3,826.69	4,160.27	4,862.69	3,124.27
Future Farmers of America	7,033.72	24,613.00	29,714.24	1,932.48
Gender Equality Club	73.01	366.85	100.00	339.86
Girls Varsity Basketball	4,272.05	6,671.75	4,622.77	6,321.03
Girls Varsity Softball	1,891.88	0.00	0.00	1,891.88
History	593.85	1,972.00	200.00	2,365.85
Hope Kindness	0.00	100.10	0.00	100.10
Jr. High Drama Club	5,029.53	0.00	833.75	4,195.78
National Honor Society	1,257.56	0.00	61.73	1,195.83
Soccer Club	21.66	300.00	150.00	171.66
Spanish Club	180.01	145.00	50.00	275.01
Varsity Club	2,879.60	10,897.29	13,678.99	97.90
Yearbook	6,104.32	14,021.49	10,802.05	9,323.76
Student Council	3,745.11	4,504.00	4,380.54	3,868.57
Sales Tax Holding Account	284.18	828.74	980.67	132.25
Greenwich K-6 Memory Book	512.73	3,420.57	3,486.50	446.80
Lacrosse Girls	662.07	0.00	0.00	662.07
SADD	1,631.08	0.00	0.00	1,631.08
Stop Stop	482.60	443.75	501.97	424.38
Robotics	5,943.16	1,400.00	2,663.21	4,679.95
<b>Totals</b>	<b>\$ 92,397.53</b>	<b>\$ 170,297.02</b>	<b>\$ 145,449.40</b>	<b>\$ 117,245.15</b>

See accompanying notes to financial statements.

Greenwich Central School District  
Extraclassroom Activity Funds  
Note to Financial Statements

June 30, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Extraclassroom Activity Funds of Greenwich Central School District (the District) are prepared on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. The cash basis of accounting, therefore, does not recognize receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States. The more significant principles and policies used by the District are described below.

**Reporting**

**Entity**

The transactions of the Extraclassroom Activity Funds are included in the reporting entity of Greenwich Central School District. Such transactions are included in the basic financial statements of the District and reported in the Trust and Agency Fund as cash and extraclassroom activity fund balances. Exclusion from the District's financial statements, due to their nature and significance of their relationship with the primary government, would cause the reporting entity's financial statements to be misleading or incomplete.

The Extraclassroom Activity Funds 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. The activities included in this report were formed only for educational and school activity purposes in accordance with District rules and regulations for the conduct, operation, and maintenance of the extraclassroom activities.

**Cash**

The District's cash consist of cash on hand and demand deposits. 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 New York State or its localities.

Demand deposits at year-end were entirely covered by FDIC. At June 30, 2020, demand deposits are entirely composed of cash on hand and demand deposit accounts. All deposits are carried at cost, which equals market.

**Equity Classifications-FundBalance**

Unreserved fund balance consists of the portion of fund balance that has not been designated or reserved.



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## REPORT TO THE BOARD

The Board of Education  
Greenwich Central School District  
Greenwich, NY 12834

We have audited the financial statements of Greenwich Central School District (the "District") for the year ended June 30, 2020, and have issued our report thereon dated September 30, 2020. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Accounting Principles Generally Accepted in the United States of America, Government Auditing Standards, and Uniform Guidance**

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatement may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Compliance Supplement.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, 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. Also, in accordance with OMB Compliance Supplement, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide legal determination on the District's compliance with those requirements.

### Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was Management's estimate of depreciation expense, which is based on the estimated useful lives of the District's capital assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

### Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). All proposed adjustments were recorded by the business office staff prior to completion of the audit.

There were no unrecorded proposed adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditor

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Comments and Recommendations

**General Fund- Fund Balance**

As shown in Supplemental Schedule #3, the fund balance subject to Section 1318 of the Real Property Tax Law was \$1,715,725. This equates to 7.807% of the next year's budget. Section 1318 of the Real Property Tax Law allows only a 4% of the budget to be retained. For the Greenwich Central School, this amount would be \$879,068 (4% of 21,976,710). The Greenwich Central School is in violation of Section 1318 of the Real Property Tax Law. We recommend that the district develop a fiscal plan to manage their fund balance levels and to bring the district within allowable limits.

### **Extraclassroom Activity Funds Audit**

We completed our audit of the Extraclassroom Activity Funds as required under Section 172.3(d) of the Regulations of the Commissioner of Education. We have prepared a separate report on this audit, which is bound with the District's annual report. There were various clubs with no financial activity, however activities for the school year were curt short because of COVID-19. The district should review clubs on an ongoing basis to determine that the clubs are valid and are active.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by Troy Tyler and his staff during our examination. Should you have any questions concerning the matters presented herein, we would be pleased to discuss them with you at your convenience.

September 30, 2020

*Beecher, & Bethel, LLP*