

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
GOUVERNEUR, NEW YORK**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2022**

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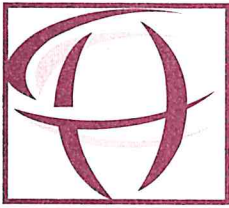
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### **Independent Auditors' Report**

To the Board of Education  
Gouverneur Central School District

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gouverneur Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Gouverneur Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gouverneur Central School District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gouverneur Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### ***Change in Accounting Principle***

As described in Note 3 to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

##### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gouverneur Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



**Independent Auditors' Report (continued)**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Gouverneur Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gouverneur Central School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in the District's total OPEB liability and related ratios, the schedule of the local government's proportionate share of the net pension liability, and the schedule of the local government's share of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.





**Independent Auditors' Report (continued)**

***Required Supplementary Information (continued)***


We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gouverneur Central School District's basic financial statements. Other supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America and/or New York State Education Department. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2022, on our consideration of the Gouverneur Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gouverneur Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gouverneur Central School District's internal control over financial reporting and compliance.

  
September 25, 2022  
Watertown, New York

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following discussion and analysis of Gouverneur Central School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the 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. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the School District's financial performance. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

**DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Gouverneur Central School District (the "School District") is considered a Rural School District. The School District has land area of approximately 226 square miles and an estimated population of 11,376. Included in the district are all of the Village of Gouverneur, all of the Town of Gouverneur, and portions of the Towns of DeKalb, Edwards, Fowler, Hermon, Macomb, Pitcairn, Rossie, and Antwerp. It is located in the western portion of St. Lawrence County, in the northern sector of New York State.

The School District operates under a locally-elected Board form of government consisting of nine members elected at-large for staggered three year terms. The Board of Education is the policy-making body of the School District. The President and the Vice President are elected by the Board members. The board must ensure that district expenditures do not exceed the budget approved by the voters.

The duties of the administrative offices of the School District are to implement the policies of the Board of Education and supervise the operation of the school system. The Superintendent of Schools is the chief executive officer.

The School District is staffed by 256 full-time and part-time employees who provide services to approximately 1,450 students. The School District currently operates one elementary school (PK-4), one middle school (5-8) and one high school (9-12). The district runs 25 buses and averages 2,047 miles daily.

Extraclassroom Activity Funds – These funds are considered a component unit of the School District. Financial statements for these funds can be found in this report.

Parent Teacher Organizations and Booster Clubs – The School District is not involved in the budgeting or management, is not responsible for any debt, and has minimal influence over these organizations.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**FINANCIAL HIGHLIGHTS**

- Among major funds, the General Fund had \$37,384,396 in incoming monies and \$35,667,816 in monies going out. The General Fund's balance increased \$1,716,580 from the 2020-21 fiscal year. The district increased reserves \$4,595,922 to protect the school district and the residents against hard fiscal times in the future. The District used \$618,921 of reserves during the year. The 2021-22 tax levy set by the Board of Education was a 2.94% increase from the prior year.
- As a whole, the school district's net position increased \$443,343. The District implemented GASB Statement No. 87, *Leases*, which required a restatement of \$52,223, increasing net position and increasing a right-to-use asset and a lease liability. The 2021 balances in this Management's Discussion and Analysis have not been restated to reflect this change.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The School District's annual report consists of three parts: management's discussion & analysis, the basic financial statements, and required supplementary information.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section presents Management's Discussion and Analysis (MD&A). It precedes the financial statements and its purpose is to put current financial performance in perspective relative to past performance and future expectations.

**Reclassifications**

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**BASIC FINANCIAL STATEMENTS**

The basic financial statements include two kinds of statements that present different views of the School District, district-wide and fund financial statements.

**District-wide Financial Statements**

The first two financial statements that follow are district-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**District-wide Financial Statements (continued)**

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 School District's net position and how it has changed. Net position - the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the School District's financial health or position.

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

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

**Fund Financial Statements**

The remaining statements are fund financial statements that focus on individual parts of the School 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. Funds are accounting devices the School 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 School 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*** - include most of the School District's basic services. They 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.

- 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.
- 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 School District's programs.
- Because this information does not encompass the additional long-term focus of the district-wide statements, additional information detailed in Note 2 of the financial statements explains the relationship (or differences) between them.

***Fiduciary Funds*** - the School District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds.

- The *fiduciary funds* statements provide information about financial relationships in which the School District acts solely as a trustee or agent for the benefit of others.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**Fund Financial Statements (continued)**

- The School District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.
- The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**Notes to the Financial Statements**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain.

<b>Figure A-1 Major Features of the District-Wide and Fund Financial Statements</b>			
	<b>Fund Financial Statements</b>		
	<b>District-Wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
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, student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities and changes in net position</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/deferred outflows of resources/liability /deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow 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

**REQUIRED SUPPLEMENTARY INFORMATION**

The basic financial statements and notes are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

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

**Condensed Statement of Net Position**

	Governmental Activities and Total School District			
	2022	2021	\$ Change	% Change
Current and Other Assets	\$ 23,934,258	\$ 20,189,374	\$ 3,744,884	18.5%
Capital & Pension Asset	55,422,485	45,922,090	9,500,395	20.7%
Total Assets	<u>79,356,743</u>	<u>66,111,464</u>	<u>13,245,279</u>	<u>20.0%</u>
Deferred Outflows of Resources	<u>28,171,634</u>	<u>31,069,334</u>	<u>(2,897,700)</u>	<u>(9.3%)</u>
Long-Term Debt Outstanding	144,387,440	142,198,680	2,188,760	1.5%
Other Liabilities	<u>4,510,037</u>	<u>4,026,085</u>	<u>483,952</u>	<u>12.0%</u>
Total Liabilities	<u>148,897,477</u>	<u>146,224,765</u>	<u>2,672,712</u>	<u>1.8%</u>
Deferred Inflows of Resources	<u>19,801,780</u>	<u>12,570,256</u>	<u>7,231,524</u>	<u>57.5%</u>
Net Position				
Net Investment in Capital Assets	21,841,651	20,366,453	1,475,198	7.2%
Restricted	15,861,449	9,988,537	5,872,912	58.8%
Unrestricted	<u>(98,873,980)</u>	<u>(91,969,213)</u>	<u>(6,904,767)</u>	<u>(7.5%)</u>
Total Net Position (Deficit)	<u>\$ (61,170,880)</u>	<u>\$ (61,614,223)</u>	<u>\$ 443,343</u>	<u>0.7%</u>

Total net position increased by \$443,343 because of the following:

- Total Assets increased \$13,245,279. Current and other assets increased by \$3,744,884 as a result of unspent bond proceeds which increased cash and lower due from state and federal amounts. Capital assets decreased \$1,444,693 due to the net effect of the on-going capital project, purchases for buses and equipment, and the annual depreciation expense on the District's capital assets as well as the right-to-use lease asset and associated accumulated amortization. The District's proportionate net share of the pension for both ERS and TRS is an asset in the current year of \$10,945,088 and in the prior year was a liability of \$1,633,952 for an overall increase of \$12,579,040.
- The District recorded its proportionate share of the Deferred Outflows of Resources related to pensions of \$7,486,467, for a decrease of \$420,130 from 2020-21. The District recorded deferred outflows of \$20,685,167 of resources related to the Other Post-Employment Benefits (OPEB), for a decrease of \$2,477,570.
- Total Liabilities increased \$2,672,712. Long-term Liabilities increased by \$2,188,760 from a combination of 1) the District's Actuarial calculated Other Post-Employment Benefits increased \$6,373,861 from \$117,321,374 to \$123,695,235 for post-employment healthcare benefits of current and retired employees of the District; 2) the scheduled debt repayment on the 2012, 2018, and 2020 Serial Bonds of \$2,675,000; 3) the District recorded its proportionate share of the pension was a liability in the prior year and an asset in the current year for a decrease of \$1,633,952, from 2020-21; and 4) the implementation GASB #87 which reflects the liability leases payable of \$107,568. Current Liabilities increased overall \$483,952 as a result of an increase in accounts payable and accrued liabilities of \$297,149, and other liabilities increase of \$120,473 due to the current year recognition of the bond

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

premium on the 2020 bonds received which is recognized over the life of the bond along with premiums on other bonds decreasing interest expense. Due to Teachers' and Employees' Retirement increased \$65,991 due to higher rates.

- The District recorded its proportionate share of the Deferred Inflows of Resources \$14,248,770 in accordance with the GASB #68 standard, this increased by \$10,193,330. The District also recorded deferred inflows related to OPEB in the amount of \$5,553,010, this was an decrease of \$(2,961,806) from the 2020-2021 year.
- Restricted net position reflects increases in various reserves and fund balances that are restricted by purpose.

**Net Position from Operating Results**

	Governmental Activities and Total School District			
	2022	2021	\$ Change	% Change
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 301,689	\$ 218,604	\$ 83,085	38.0%
Operating Grants and Contributions	4,554,774	3,269,173	1,285,601	39.3%
General Revenues				
Property Taxes and Other Tax Items	6,714,722	6,527,316	187,406	2.9%
State Formula Aid	29,661,849	29,104,789	557,060	1.9%
Federal Aid	121,371	730,488	(609,117)	(83.4%)
Interest Earnings	37,518	14,793	22,725	153.6%
Miscellaneous	805,196	904,864	(99,668)	(11.0%)
<b>Total Revenues and Special Items</b>	<u>42,197,119</u>	<u>40,770,027</u>	<u>1,427,092</u>	<u>3.5%</u>
<b>Expenses</b>				
General Support	9,709,646	9,198,644	511,002	5.6%
Instruction	27,601,698	28,274,885	(673,187)	(2.4%)
Transportation	2,710,052	1,913,967	796,085	41.6%
Debt Service - Interest	740,650	788,236	(47,586)	(6.0%)
Cost of Sales - Food	1,043,953	1,016,008	27,945	2.8%
<b>Total Expenses</b>	<u>41,805,999</u>	<u>41,191,740</u>	<u>614,259</u>	<u>1.5%</u>
<b>(Decrease) Increase in Net Position</b>	<u>\$ 391,120</u>	<u>\$ (421,713)</u>	<u>\$ 812,833</u>	<u>192.7%</u>

**Revenues:**

Total revenues increased \$1,427,092 as shown above because of the following: 1) increase of \$557,060 in State Aid General Operating Aid, Excess Costs Aid and Lottery Aid payments; 2) decrease in federal source dollar by \$609,117 for COVID-19 related aid primarily received in the prior year; 3) increase in interest earnings by \$22,725; 4) decrease in miscellaneous of \$99,668 and 5) increase of \$187,406 in real property taxes.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**Expenses:**

General Support: This Consists of the Board of Education, Central Administration, Finance, Personnel, Maintenance, Utilities, Central Printing, Central Data Processing, Fire and Liability Insurance, Employee Benefits, and BOCES Administrative costs. This area has increased 5.6% due to a combination of BOCES fees and services; maintenance and plant; and employee benefits that were lower in the prior year.

Instruction and Transportation: The instructional area had a decrease of 2.4%. This covers contractual agreements for salaries and employee benefits, as well as the purchase of supplies and materials. Transportation expenses increased 41.6% because of the net of increases to the transportation contract needs resuming normal operations and rising prices for gasoline and diesel fuel, and the increased bus repairs.

Debt Service Expenses: This area decreased \$47,586 or (6.0%) because the District's scheduled Serial Bond interest payments are decreasing as the bonds are paid down.

School Lunch Program: This area increased \$27,945 or 2.8% due to the net of increases in food purchases, salaries, materials and supplies (mainly due to COVID-19), offset by the reduction of contractual expenditures and benefits.

**Governmental Activities**

The following analysis compares the total cost of services provided by the District in relation to the net cost of providing the service after considering program service revenues generated and program operating grants.

**Net Cost of Governmental Activities**

	Total Cost of Services				Net Cost of Services		
	2022	2021	% Change		2022	2021	% Change
General Support	\$ 9,709,646	\$ 9,198,644	5.6%		\$ 9,709,646	\$ 9,198,644	5.6%
Instruction	27,601,698	28,274,885	(2.4%)		24,069,191	26,308,076	(8.5%)
Pupil Transportation	2,710,052	1,913,967	41.6%		2,710,052	1,913,967	41.6%
Debt Service - Interest	740,650	788,236	(6.0%)		740,650	788,236	(6.0%)
Cost of Sales	1,043,953	1,016,008	2.8%		(280,003)	(504,960)	(44.5%)
 Total	 \$ 41,805,999	 \$41,191,740	 1.5%		 \$ 36,949,536	 \$ 37,703,963	 2.0%

The District strives to control and reduce cost for our taxpayers, while maintaining program and staffing appropriate for current enrollment.

See paragraph on supplementary schedules included in auditors' report.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of the fiscal year 2022, the School District had \$44,477,397 invested in land, buildings, furniture and equipment, vehicles, and right-to-use leased assets. \*The following table compares fiscal 2022 balances to 2021 before a restatement to reflect the implementation of GASB #87 in the amount of \$197,467 for 2021.

**Capital Assets**

	Governmental Activities and Total School District			
	2022	2021	\$ Change	% Change
Land	\$ 299,027	\$ 299,027	\$ -	0.0%
Construction in Progress	248,512	1,218,611	(970,099)	(79.6%)
Buildings (net of depreciation)	40,365,901	42,037,559	(1,671,658)	(4.0%)
Vehicles, Equipment and Furniture (net of depreciation)	3,412,065	2,366,893	1,045,172	44.2%
*Right-to-Use Leased Assets: (net of amortization)	<u>151,892</u>	<u>-</u>	<u>151,892</u>	<u>100.0%</u>
Total	<u>\$ 44,477,397</u>	<u>\$45,922,090</u>	<u>\$ (1,444,693)</u>	<u>(3.2%)</u>

Capital Assets include depreciation and amortization expense of \$2,393,011.

During fiscal year 2022 the District made four bus purchases \$474,433 and reduced the cost of these purchases by trading-in four older buses. Expenditures were made on the capital project of \$102,089 and placed into service \$1,072,188. The District also purchased \$186,766 of equipment and improvements.

**Long-Term Liabilities**

	Governmental Activities and Total School District			
	2022	2021	\$ Change	% Change
General Obligation Bonds	\$ 20,490,000	\$23,165,000	\$ (2,675,000)	(11.5%)
Other Post-employment Benefits	123,695,235	117,321,374	6,373,861	5.4%
Compensated Absences	94,637	78,354	16,283	20.8%
*Leases Payable	107,568	-	107,568	100.0%
Pension Liabilities	<u>-</u>	<u>1,633,952</u>	<u>(1,633,952)</u>	<u>(100.0%)</u>
Total	<u>\$ 144,387,440</u>	<u>\$142,198,680</u>	<u>\$ 2,188,760</u>	<u>1.5%</u>

\*Before 2021 restatement of \$145,244 for GASB No. 87.

General Obligation Bonds: The District paid \$2,675,000 in scheduled principal payments on the 2020. 2018 and 2012 Serial Bonds.

Other Post-employment Healthcare Benefits: In accordance with GASB Statement #75 the District's liability for Post-employment Benefits increased \$6,373,861 from FY21 totaling \$123,695,235 at the end of FY22.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

Pension Liabilities: The District recorded its proportionate share of the pension asset of \$10,945,088 in 2022, while 2021 was a liability of \$1,633,952 in accordance with the GASB #68 related to the TRS and ERS pension systems.

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

**General Fund Budgetary Highlights**

Gouverneur Central School District's General Fund had \$37,384,396 in incoming monies and \$35,667,816 in monies going out, including transfers. The General Fund's balance increased \$1,716,580. For the 2021-22 fiscal year, we were able to limit the levy increase to 2.9%.

The 2021-22 comparison of final budget to actual expenditures and year-end encumbrances highlights a few areas in the District's budget with large variances. These areas are Central Services; Teaching – Regular School; Programs for Students with Disabilities; Pupil Transportation; and Employee Benefits.

The Central Services area includes the utilities; repairs; maintenance contracts; supplies and custodial and maintenance staff for the District. The effects of COVID-19 continued into the 2021-22 school year which had an impact on the Central Services expenditures. The buildings remained closed to non-school events as in prior years. This resulted in lower utility costs. Some COVID-19 related expenses were funded through federal funds. This reduced expenses in General Fund.

The major excesses in Teaching-Regular School is generated from instructional salaries, BOCES services, and contractual. Instructional salaries are budgeted in General Fund because grant funding is not known at the time the budget is adopted. We received additional federal funding through CRRSA and ARP funding in 2021-22 which we used for salaries, benefits, supplies and contractual expenses. We also had some staff leave during the school year and were unable to fill some positions as a result of the pandemic. BOCES services are estimated during the budget process. An amount is built into the budget for needs not identified at budget time. These funds are then available if the need arises.

The Program for Students with Disabilities is highly dependent upon the students which can change daily. Staffing and service needs are highly volatile. Families and students move in and out of the district throughout the school year. The District must be fiscally prepared to provide the services in-house or contract with BOCES or another district if need be. This year we were able to meet all of the students' needs.

Pupil Transportation consists of bus purchases; purchase of supplies including gasoline and diesel fuel at variable prices; utilities and insurance on the bus garage; and costs of our transportation contracts. The transportation budget is developed by looking at actual data from prior years to predict the needs. The 2021-22 school year was again not a normal year due to the continuing effects of COVID-19. The district did not operate a lot of its extracurricular activities which reduced bus runs resulting in lower than anticipated costs. At the same time, gasoline and diesel fuel costs significantly increased.

The variance in Employee Benefits is affected by two factors. The factors are benefits allocated to grants and the Cafeteria Fund which are unknown at the time of budget development and the amount of current and retirees' contributions towards the benefits. The influx of federal grant dollars has enabled the District to allocate salaries and the corresponding benefits to the grants.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**Current Financial Issues and Concerns**

The financial and economic condition of the School District could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the townships, state and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code, Tax Certioraris or otherwise, will not occur which might adversely affect the School District.

The School District is heavily dependent on financial assistance from the State and Federal Governments and the local property tax. These issues require management to plan carefully and prudently to provide the resources to meet student needs of the next several years.

In conclusion, the Gouverneur Central School District has committed itself to financial stability for many years. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**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 the Business Manager, Gouverneur Central School District, 133 East Barney Street, Gouverneur, New York, 13642, or call 315-287-4836.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Total Governmental Funds
<b>ASSETS</b>	
Unrestricted Cash	\$ 7,940,114
Restricted Cash	12,930,064
Due from Fiduciary Funds	-
Due from Other Governments	1,158,643
Due from State and Federal	1,528,667
Other Receivables	305,690
Prepaid Expenditures	-
Inventories	71,080
Capital Assets, Net	44,477,397
Net Pension Asset-Proportionate Share	10,945,088
<b>Total Assets</b>	<b>79,356,743</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	7,486,467
Other Post Employment Benefits Related	20,685,167
<b>Total Deferred Outflows of Resources</b>	<b>28,171,634</b>
<b>LIABILITIES</b>	
Accounts Payable	574,533
Accrued Liabilities	52,249
Retainage	-
Due to Fiduciary Funds	-
Due to Other Governments	436
Due to Teachers' Retirement System	1,125,434
Due to Employees' Retirement System	121,790
Bond Anticipation Notes Payable	-
Other Liabilities	2,635,595
Long-term Liabilities	
Due and Payable Within One Year	
Bonds Payable	2,260,000
Leases Payable	38,586
Due and Payable After One Year	
Compensated Absences Payable	94,637
Bonds Payable	18,230,000
Leases Payable	68,982
Other Postemployment Benefits	123,695,235
Net Pension Liability - Proportionate Share	-
<b>Total Liabilities</b>	<b>148,897,477</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	14,248,770
Other Post Employment Benefits Related	5,553,010
<b>Total Deferred Inflows of Resources</b>	<b>19,801,780</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,841,651
Restricted	15,861,449
Unrestricted	(98,873,980)
<b>Total Net Position</b>	<b>\$ (61,170,880)</b>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Operating</u>	<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Grants</u>	<u>Revenue and</u>
		<u>Services</u>		<u>Changes in</u>
				<u>Net Position</u>
<b>FUNCTIONS/PROGRAMS</b>				
General Support	\$ 9,709,646	\$ -	\$ -	\$ (9,709,646)
Instruction	27,601,698	266,991	3,265,516	(24,069,191)
Pupil Transportation	2,710,052	-	-	(2,710,052)
Community Services	-	-	-	-
Debt Service Expense	740,650	-	-	(740,650)
School Lunch Program	1,043,953	34,698	1,289,258	280,003
	<u>\$ 41,805,999</u>	<u>\$ 301,689</u>	<u>\$ 4,554,774</u>	<u>(36,949,536)</u>
<b>GENERAL REVENUES</b>				
Real Property Taxes				5,759,492
Other Tax Items				955,230
Interest Income				37,518
Use of Money and Property				16,535
Sale of Property & Compensation for Loss				21,352
Miscellaneous				767,309
State Sources				29,661,849
Federal Sources				121,371
				<u>37,340,656</u>
<b>Total General Revenues and Special Items</b>				<u>37,340,656</u>
<b>Changes in Net Position</b>				<u>391,120</u>
<b>Net Position - Beginning of Year</b>				(61,614,223)
<b>Restatement for Change in Accounting</b>				52,223
<b>Net Position - Beginning of Year Restated for Change in Accounting</b>				<u>(61,562,000)</u>
<b>Net Position - End of year</b>				<u><u>\$(61,170,880)</u></u>

The accompanying notes are an integral part of these financial statements.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Food Service	Debt Service	Capital	Non-Major Governmental	
<b>ASSETS</b>							
Unrestricted Cash	\$ 5,037,074	\$ 578,770	\$ 1,143,777	\$ 665,448	\$ 510,045	\$ 5,000	\$ 7,940,114
Restricted Cash	12,911,710	-	-	-	-	18,354	12,930,064
Due from Other Funds	799,367	-	212	832	1,000,000	-	1,800,411
Due from Fiduciary Funds	-	-	-	-	-	-	-
Due from Other Governments	1,158,643	-	-	-	-	-	1,158,643
Due from State and Federal	687,176	240,692	231,714	-	369,085	-	1,528,667
Other Receivables	253,507	52,153	30	-	-	-	305,690
Prepaid Expenditures	-	-	-	-	-	-	-
Inventories	-	-	71,080	-	-	-	71,080
<b>Total Assets</b>	<u>20,847,477</u>	<u>871,615</u>	<u>1,446,813</u>	<u>666,280</u>	<u>1,879,130</u>	<u>23,354</u>	<u>25,734,669</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows of Resources	-	-	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	443,784	17,931	21,818	-	91,000	-	574,533
Accrued Liabilities	50,553	1,696	-	-	-	-	52,249
Due to Other Funds	1,000,212	377,671	-	-	422,528	-	1,800,411
Due to Fiduciary Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	436	-	-	-	436
Due to Teachers' Retirement System	1,125,434	-	-	-	-	-	1,125,434
Due to Employees' Retirement System	121,790	-	-	-	-	-	121,790
Bond Anticipation Notes Payable	-	-	-	-	-	-	-
Other Liabilities	77,925	474,317	4,232	-	-	-	556,474
<b>Total Liabilities</b>	<u>2,819,698</u>	<u>871,615</u>	<u>26,486</u>	<u>-</u>	<u>513,528</u>	<u>-</u>	<u>4,231,327</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows of Resources	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Non-spendable	-	-	71,080	-	-	-	71,080
Restricted	12,911,710	390,337	49,863	1,120,583	1,365,602	23,354	15,861,449
Committed	-	-	-	-	-	-	-
Assigned	3,481,813	-	1,299,384	(454,303)	-	-	4,326,894
Unassigned	1,634,256	(390,337)	-	-	-	-	1,243,919
<b>Total Fund Balance</b>	<u>18,027,779</u>	<u>-</u>	<u>1,420,327</u>	<u>666,280</u>	<u>1,365,602</u>	<u>23,354</u>	<u>21,503,342</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 20,847,477</u>	<u>\$ 871,615</u>	<u>\$ 1,446,813</u>	<u>\$ 666,280</u>	<u>\$ 1,879,130</u>	<u>\$ 23,354</u>	<u>\$ 25,734,669</u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Unrestricted Cash	\$ 7,940,114	\$ -	\$ -	\$ 7,940,114
Restricted Cash	12,930,064	-	-	12,930,064
Due from Other Funds	1,800,411	-	(1,800,411)	-
Due from Fiduciary Funds	-	-	-	-
Due from Other Governments	1,158,643	-	-	1,158,643
Due from State and Federal	1,528,667	-	-	1,528,667
Other Receivables	305,690	-	-	305,690
Prepaid Expenditures	-	-	-	-
Inventories	71,080	-	-	71,080
Assets Held for Sale	-	-	-	-
Capital Assets, Net	-	44,477,397	-	44,477,397
Net Pension Asset-Proportionate Share	-	10,945,088	-	10,945,088
<b>Total Assets</b>	<b>25,734,669</b>	<b>55,422,485</b>	<b>(1,800,411)</b>	<b>79,356,743</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related	-	7,486,467	-	7,486,467
Other Post Employment Benefits Related	-	20,685,167	-	20,685,167
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>28,171,634</b>	<b>-</b>	<b>28,171,634</b>
<b>LIABILITIES</b>				
Accounts Payable	574,533	-	-	574,533
Accrued Liabilities	52,249	-	-	52,249
Retainage	-	-	-	-
Due to Other Funds	1,800,411	-	(1,800,411)	-
Due to Fiduciary Funds	-	-	-	-
Due to Other Governments	436	-	-	436
Due to Teachers' Retirement System	1,125,434	-	-	1,125,434
Due to Employees' Retirement System	121,790	-	-	121,790
Bond Anticipation Notes Payable	-	-	-	-
Other Liabilities	556,474	2,079,121	-	2,635,595
Bonds Payable Due Within One Year	-	2,260,000	-	2,260,000
Leases Payable Due Within One Year	-	38,586	-	38,586
Compensated Absences Payable Due After One Year	-	94,637	-	94,637
Bonds Payable Due After One Year	-	18,230,000	-	18,230,000
Leases Payable Due After One Year	-	68,982	-	68,982
Other Postemployment Benefits	-	123,695,235	-	123,695,235
Net Pension Liability - Proportionate Share	-	-	-	-
<b>Total Liabilities</b>	<b>4,231,327</b>	<b>146,466,561</b>	<b>(1,800,411)</b>	<b>148,897,477</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	-	14,248,770	-	14,248,770
Other Post Employment Benefits Related	-	5,553,010	-	5,553,010
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>19,801,780</b>	<b>-</b>	<b>19,801,780</b>
<b>FUND BALANCE/NET POSITION</b>				
Total Fund Balance/Net Position	21,503,342	(82,674,222)	-	(61,170,880)
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position</b>	<b>\$ 25,734,669</b>	<b>\$ 83,594,119</b>	<b>\$ (1,800,411)</b>	<b>\$ 107,528,377</b>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Food Service	Debt Service	Capital	Non-Major Governmental	
<b>REVENUES</b>							
Real Property Taxes	\$ 5,759,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,759,492
Other Tax Items	955,230	-	-	-	-	-	955,230
Charges for Services	266,991	-	-	-	-	-	266,991
Use of Money and Property	49,165	-	1,909	2,568	-	411	54,053
Sale of Property and Compensation for Loss	17,389	-	-	-	-	-	17,389
Miscellaneous	465,123	302,137	49	-	-	-	767,309
State Sources	29,292,764	388,206	21,230	-	369,085	-	30,071,285
Federal Sources	121,371	2,877,310	1,188,284	-	-	-	4,186,965
Surplus Food	-	-	79,744	-	-	-	79,744
Sales	-	-	34,698	-	-	-	34,698
<b>Total Revenues</b>	<u>36,927,525</u>	<u>3,567,653</u>	<u>1,325,914</u>	<u>2,568</u>	<u>369,085</u>	<u>411</u>	<u>42,193,156</u>
<b>EXPENDITURES</b>							
General Support	5,393,654	32,402	-	-	-	-	5,426,056
Instruction	14,783,843	2,911,409	-	-	-	-	17,695,252
Pupil Transportation	2,640,303	-	-	-	-	-	2,640,303
Community Services	-	-	-	-	-	-	-
Employee Benefits	7,949,490	713,701	123,629	-	-	-	8,786,820
Debt Service	3,810,455	-	-	-	-	-	3,810,455
Cost of Sales	-	-	828,378	-	-	-	828,378
Capital Outlay	-	-	-	-	102,089	-	102,089
<b>Total Expenditures</b>	<u>34,577,745</u>	<u>3,657,512</u>	<u>952,007</u>	<u>-</u>	<u>102,089</u>	<u>-</u>	<u>39,289,353</u>
<b>Excess (Deficit) Revenues Over Expenditures</b>	<u>2,349,780</u>	<u>(89,859)</u>	<u>373,907</u>	<u>2,568</u>	<u>266,996</u>	<u>411</u>	<u>2,903,803</u>
<b>OTHER FINANCING SOURCES AND USES</b>							
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Lease Financing	-	-	-	-	-	-	-
Operating Transfers In	456,871	89,859	212	-	1,000,000	-	1,546,942
Operating Transfers (Out)	(1,090,071)	-	-	(456,871)	-	-	(1,546,942)
<b>Total Other Sources (Uses)</b>	<u>(633,200)</u>	<u>89,859</u>	<u>212</u>	<u>(456,871)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)</b>	<u>1,716,580</u>	<u>-</u>	<u>374,119</u>	<u>(454,303)</u>	<u>1,266,996</u>	<u>411</u>	<u>2,903,803</u>
<b>Fund Balance, Beginning of Year</b>	<u>16,311,199</u>	<u>-</u>	<u>1,046,208</u>	<u>1,120,583</u>	<u>98,606</u>	<u>22,943</u>	<u>18,599,539</u>
<b>Fund Balance, End of Year</b>	<u>\$ 18,027,779</u>	<u>\$ -</u>	<u>\$ 1,420,327</u>	<u>\$ 666,280</u>	<u>\$ 1,365,602</u>	<u>\$ 23,354</u>	<u>\$ 21,503,342</u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Total Governmental Funds	Capital Related Items	Long-term Revenue, Expenses	Long-term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
<b>REVENUES</b>						
Real Property Taxes	\$ 5,759,492	\$ -	\$ -	\$ -	\$ -	\$ 5,759,492
Other Tax Items	955,230	-	-	-	-	955,230
Charges for Services	266,991	-	-	-	-	266,991
Use of Money and Property	54,053	-	-	-	-	54,053
Sale of Property and Compensation for Loss	17,389	3,963	-	-	-	21,352
Miscellaneous	767,309	-	-	-	-	767,309
State Sources	30,071,285	-	-	-	-	30,071,285
Federal Sources	4,186,965	-	-	-	-	4,186,965
Surplus Food	79,744	-	-	-	-	79,744
Sales	34,698	-	-	-	-	34,698
<b>Total Revenues and Special Items</b>	<u>42,193,156</u>	<u>3,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,197,119</u>
<b>EXPENDITURES</b>						
General Support	5,426,056	589,618	-	-	3,693,972	9,709,646
Instruction	17,695,252	1,113,594	-	-	8,792,852	27,601,698
Pupil Transportation	2,640,303	23,130	-	-	46,619	2,710,052
Community Services	-	-	-	-	-	-
Employee Benefits	8,786,820	-	3,940,328	-	(12,727,148)	-
Debt Service	3,810,455	-	-	(3,069,805)	-	740,650
Cost of Sales	828,378	21,870	-	-	193,705	1,043,953
Capital Outlay	102,089	(102,089)	-	-	-	-
<b>Total Expenditures</b>	<u>39,289,353</u>	<u>1,646,123</u>	<u>3,940,328</u>	<u>(3,069,805)</u>	<u>-</u>	<u>41,805,999</u>
<b>Excess (Deficit) Revenues Over Expenditures</b>	<u>2,903,803</u>	<u>(1,642,160)</u>	<u>(3,940,328)</u>	<u>3,069,805</u>	<u>-</u>	<u>391,120</u>
<b>OTHER FINANCING SOURCES AND USES</b>						
Proceeds (Uses) from Debt	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change for the Year</b>	<u>\$ 2,903,803</u>	<u>\$ (1,642,160)</u>	<u>\$ (3,940,328)</u>	<u>\$ 3,069,805</u>	<u>\$ -</u>	<u>\$ 391,120</u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(CONTINUED)**

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

Net Change in Fund Balances - Total Governmental Funds	\$ 2,903,803
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period, net of related losses on disposal of capital assets

Capital Outlays - Net	102,089
Depreciation Expense	(2,318,186)
Additions to Vehicles and Equipment	631,949
Additions to Leases	29,250
Amortization Expense	(74,825)

In the Statement of Activities, the gain/loss on the disposal of assets is reported as an increase/decrease in the financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(12,437)
--	----------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	2,675,000
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Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	37,676
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Proceeds from bond premiums are reported in governmental funds as revenues, however in the Statement of Activities, the unearned revenue is allocated over the life of the bonds as a reduction of interest expense. This is the amount that the current year premiums received exceeds the amortization in the period.	352,459
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(Increases) decreases in accrued interest on bonds payable recognized in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	4,670
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(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	(16,283)
--	----------

On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for post employment benefits.	(5,889,625)
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(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds	
Teachers' Retirement System	1,568,740
Employees' Retirement System	396,840
	775,580

Change in net position of governmental activities	\$ 391,120
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The accompanying notes are an integral part of these financial statements.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	Custodial Fund
	<u>          </u>
<b>ASSETS</b>	
Cash	\$ 71,616
	<u>          </u>
Total Assets	<u>\$ 71,616</u>
<b>NET POSITION</b>	
Unrestricted	<u>71,616</u>
Total Net Position	<u>71,616</u>
Total Net Position	<u>\$ 71,616</u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Extraclassroom Receipts	<u>\$ 148,878</u>
<b>Total Additions</b>	<u>148,878</u>
<b>DEDUCTIONS</b>	
Extraclassroom Disbursements	<u>140,690</u>
<b>Total Deductions</b>	<u>140,690</u>
<b>Change in Net Position</b>	8,188
<b>Net Position - Beginning of Year</b>	<u>63,428</u>
<b>Net Position - End of Year</b>	<u><u>\$ 71,616</u></u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

The financial statements of the Gouverneur Central School District (the “District”) have been prepared in conformity with U.S. 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. Significant accounting principles and policies used by the District are described below:

**REPORTING ENTITY**

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

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

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District’s financial reporting entity. The District is not a component unit of another reporting entity. The decision to include another organizational entity in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on application of these criteria, a brief description of Extraclassroom Activity Funds included in the District’s reporting entity follows.

**Extraclassroom Activity Funds**

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office.

**JOINT VENTURE**

The District is a component district in the St. Lawrence-Lewis 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.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**JOINT VENTURE (continued)**

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 \$5,848,497 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,616,449. Financial statements for the BOCES are available from the BOCES administrative office.

**BASIS OF PRESENTATION**

**District-wide Statements**

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

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**  
**BASIS OF PRESENTATION (continued)**

**Fund Financial Statements**

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

The District reports the following major governmental funds:

- **General Fund** - this is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- **Special Revenue Funds** - these funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, child nutrition operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The Special Revenue Funds classified as major are:
  - **Special Aid Funds**: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
  - **School Food Service Fund**: Used to account for transactions of the lunch and breakfast programs.
- **Capital Projects Funds** - these funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements.
- **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 asset 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 capital assets up to the balance of related bonds outstanding.

The District reports the following non-major governmental funds:

- **Special Revenue Funds** – See above explanation.
  - **Miscellaneous Special Revenue**: Used to account for student scholarships whose funds are restricted as to use.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

The District reports the following fiduciary funds:

- **Fiduciary Funds** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.
  - **Custodial Funds**: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year as it matches the liquidation of related obligations except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Fees and other similar revenue are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

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, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

**PROPERTY TAXES**

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

Uncollected real property taxes are subsequently enforced by the Counties in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**UNEARNED REVENUES**

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

**RESTRICTED RESOURCES**

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

**INTER-FUND TRANSACTIONS**

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

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

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

Refer to Note 10 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures and revenues activity.

**ESTIMATES**

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

**CASH AND INVESTMENTS**

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CASH AND INVESTMENTS(continued)**

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

**ACCOUNTS RECEIVABLE**

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

**INVENTORIES AND PREPAID ITEMS**

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

**OTHER ASSETS/LIABILITIES**

In the District-wide financial statements, bond discount (asset) and bond premium (liability), and any bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

**CAPITAL ASSETS**

Capital assets are reported at estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Amortization Method	Estimated Useful Life
Buildings	\$ 5,000	straight-line	30 years
Building improvements	\$ 5,000	straight-line	10-15 years
Furniture and equipment	\$ 5,000	straight-line	5-10 years
Vehicles	\$ 5,000	straight-line	5-10 years
Intangibles:			
Right-to-use lease assets: Equipment	\$ 5,000	straight-line	5-10 years

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

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

**VESTED EMPLOYEE BENEFITS**

**Compensated Absences**

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**VESTED EMPLOYEE BENEFITS (continued)**

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

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b) – Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator.

**LEASES**

As lessee, the District recognizes lease liabilities with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on the risk free rate for tax exempt bonds that were issued by the District in the past adjusted for the terms of the various leases.

**SHORT TERM DEBT**

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**SHORT TERM DEBT (continued)**

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

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

**EQUITY CLASSIFICATIONS**

**District-wide Statements**

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

- **Net investment in capital assets** – consists of net capital assets (cost less accumulated depreciation/amortization) 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 or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**EQUITY CLASSIFICATIONS (continued)**

**Funds Statements**

Below is the breakdown of fund balances for the fund basis statements:

	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>School Food Service Fund</b>	<b>Debt Service Fund</b>	<b>Capital Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>Non-spendable:</b>							
Inventory	\$ -	\$ -	\$ 71,080	\$ -	\$ -	\$ -	\$ 71,080
Deposit	-	-	-	-	-	-	-
<b>Restricted:</b>							
Debt Service Reserve	64,123	-	-	1,120,583	-	-	1,184,706
Employee Benefits Accrued Liability	168,857	-	-	-	-	-	168,857
Liability Claims	441,603	-	-	-	-	-	441,603
Retirement Contribution	3,000,000	-	-	-	-	-	3,000,000
Reserve for Teacher's Retirement	787,369	-	-	-	-	-	787,369
Tax Certiorari	305,020	-	-	-	-	-	305,020
Unemployment Insurance	175,278	-	-	-	-	-	175,278
Workers' Compensation	578,998	-	-	-	-	-	578,998
Capital Reserve	7,390,462	-	-	-	-	-	7,390,462
Reserve for Capital Outlay	-	-	-	-	1,365,602	-	1,365,602
Scholarship	-	-	-	-	-	23,354	23,354
Encumbrances (Other than General Fund)	-	390,337	49,863	-	-	-	440,200
<b>Assigned:</b>							
Central Administration	-	-	-	-	-	-	-
Finance	4,124	-	-	-	-	-	4,124
Central Services	82,284	-	-	-	-	-	82,284
Instruction, Admin & Improvement	4,887	-	-	-	-	-	4,887
Teaching-Regular School	27,342	-	-	-	-	-	27,342
Programs for Students with Disabilities	81,266	-	-	-	-	-	81,266
Instructional Media	28,127	-	-	-	-	-	28,127
Pupil Services	18,457	-	-	-	-	-	18,457
Pupil Transportation	9,748	-	-	-	-	-	9,748
Employee Benefits	7	-	-	-	-	-	7
Appropriated Fund Balance	3,225,571	-	1,299,384	(454,303)	-	-	4,070,652
<b>Unassigned:</b>	<u>1,634,256</u>	<u>(390,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,243,919</u>
	<u>\$ 18,027,779</u>	<u>\$ -</u>	<u>\$ 1,420,327</u>	<u>\$ 666,280</u>	<u>\$ 1,365,602</u>	<u>\$ 23,354</u>	<u>\$ 21,503,342</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**EQUITY CLASSIFICATIONS (continued)**

**Funds Statements (continued)**

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

**Non-spendable** fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. See detail of balances in chart above.

**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 District has established the following restricted fund balances:

**Debt Service Reserve Fund**

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 which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

**Employee Benefit Accrued Liability Reserve Fund**

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

**Retirement Contributions Reserve Fund**

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



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**EQUITY CLASSIFICATIONS (continued)**

**Tax Certiorari Reserve Fund**

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 which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

**Unemployment Insurance Payment Reserve Fund**

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

**Workers' Compensation Reserve Fund**

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

**Capital Reserve Fund**

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

**Encumbrances**

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**EQUITY CLASSIFICATIONS (continued)**

**Liability Claims and Property Loss Reserve Fund**

According to Education Law §1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for property loss and liability claims 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. This reserve is accounted for in the General Fund.

**Insurance Reserve Fund**

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

**Repair Reserve Fund**

According to General Municipal Law §6-d, expenditures made from the repair reserve fund 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 vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

**Reserve for Insurance Recoveries**

Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the general fund.

**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, 2022.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**EQUITY CLASSIFICATIONS (continued)**

**Assigned** – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The School Food Service Fund also reports assigned fund balance. See Fund Balance breakdown above for details. The General Fund encumbrances \$256,242 were classified as General Support \$86,408, Instruction \$160,079, Pupil Transportation \$9,748 and Employee Benefits \$7.

**Unassigned** – Includes all other General Fund amounts that do not meet definition of the above four classifications and are deemed to be available for general use by the School District. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. In accordance with state guidelines, unassigned fund balance in the general fund includes the following reserve:

**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 the 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 fund, excluding the reserve for tax reductions, a school district can retain to no more than 4% of the District’s budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

**Net Position/Fund Balance:**

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

**Fund Balance Flow Assumption:** Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total 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.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**EQUITY CLASSIFICATIONS (continued)**

**Order of Use of Fund Balance:**

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- Restricted fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- Unassigned fund balance.

**NEW ACCOUNTING STANDARDS**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2022, the District implemented the following new standards issued by GASB.

GASB has issued Statement No. 87, *Leases*, effective for the year ending June 30, 2022. The objectives of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022. This statement establishes accounting requirements for interest cost incurred before the end of a construction period.

GASB Statement No. 92, *Omnibus*, effective for the year ending June 30, 2022.

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

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 2021).

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)**

**FUTURE ACCOUNTING STANDARDS**

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

- GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

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

GASB Statement No. 96, *Subscription-Based information Technology Agreements*, effective for the year ending June 30, 2023.

GASB Statement No. 99, Omnibus, some elements effective for the year ending June 30, 2022 and others June 30, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An amendment of GASB Statement No. 62*, effective for the year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025.

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

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

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

**TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS 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 long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

**Long-term Assets**

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)**

**TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)**

Original cost of capital assets	\$ 70,809,111
Accumulated depreciation/amortization	<u>(26,331,714)</u>
Net Capital Assets	<u><u>\$ 44,477,397</u></u>

**Other Liabilities**

Other liabilities such as retainage held in the capital construction project are reported in the Statement of Net Position but not in the governmental fund statements because they are included in carryover encumbrance. Bond interest payable and unamortized bond premium are reported in the Statement of Net Position but not in the governmental fund statements because they are due in a future period. Balances at year end were:

Retainage	\$ -
Bond Interest Payable	(40,943)
Unamortized Bond Premium	<u>(2,038,178)</u>
	<u><u>\$ (2,079,121)</u></u>

**Long-term Liabilities**

Long-term liabilities are reported in the Statement of Net Position but not in the governmental fund statements because they are not due and payable in the current period. Balances at year end were:

Bonds Payable	\$ (20,490,000)
Leases Payable	(107,568)
Compensated Absences	(94,637)
Other Post-employment Benefits	<u>(123,695,235)</u>
	<u><u>\$ (144,387,440)</u></u>

**Pension**

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 system:

Pension Asset	\$ 10,945,088
Pension Liability	<u>-</u>
	<u><u>\$ 10,945,088</u></u>

**Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the statement of Net Position will sometimes report a separate section for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represent 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 separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Outflows and Inflows of resources were:

Deferred Outflow of Resources	\$ 28,171,634
Deferred Inflows of Resources	<u>(19,801,780)</u>
	<u><u>\$ 8,369,854</u></u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)**

**TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VERSUS 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 five broad categories. The amounts shown below represent:

**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.

**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/amortization expense on those items as recorded in the Statement of Activities.

**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.

**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.

**OPEB Differences**

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

**Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities**

**Total revenues and other funding sources:**

Total revenues and other funding sources of governmental funds	\$ 42,193,156
Reconciling items:	
Add net gain from disposal of vehicles/equipment	3,963
Less bond premium in debt service fund	<u>-</u>
Total revenues from governmental activities - Statement of Activities	<u>\$ 42,197,119</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)**

**TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)**

**Total expenditures and other financing:**

Total expenditures reported in governmental funds	\$ 39,289,353
Reconciling items:	
Add depreciation/amortization expense	2,393,011
Less change in interest accrual & bond premium amortized	(357,129)
Less change in compensated absences	16,283
Add change in other postemployment benefits	5,889,625
Less capital expenditures (capitalized in government-wide statement)	(746,888)
Add changes in retirement benefits	(1,965,580)
Less payment on leases	(37,676)
Less payment on long-term debt	<u>(2,675,000)</u>
Total expenses of governmental activities - Statement of Activities	<u>\$ 41,805,999</u>

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, Leases. The statement increases the usefulness of School District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as outflows resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. See note 19 for the financial statement impact of the implementation of the statement.

**NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETS**

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

- General Fund

The voters of the District approved the proposed appropriation budget for the General Fund. Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. There were supplemental appropriations of \$142,012 from insurance proceeds \$14,389, gifts \$5,000, miscellaneous \$1,251 and federal grants \$121,372. There were no budget reductions for the year ending June 30, 2022.

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



**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

There is no budget and actual comparison for the Special Aid Fund because there is not a legally authorized (appropriated) budget.

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

**ENCUMBRANCES**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as 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 the year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at the time, as the liability is incurred, or commitment is paid.

**NOTE 5 - CASH – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE RISKS, AND FOREIGN CURRENCY RISKS**

Cash and Investments

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

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

Total financial institution bank balances at year-end, per the bank, are categorized as follows:

A.	\$	11,889,340
B.	\$	9,172,497
C.	\$	-

Restricted cash represents cash 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 \$12,911,710 restricted for various fund balance reserves in the general fund and \$18,354 restricted for use in the miscellaneous revenue fund within the governmental funds and \$71,616 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.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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.

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

Investments

US GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All the District's investments are valued based on Level 1 of the hierarchy.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued a cost plus accrued interest, which approximates fair market value.

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

The District participates in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investment in cooperation with other participants. At June 30, 2022, the District held \$10,698,951 in these investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

The District total investments of the cooperative as of June 30, 2022 are \$20,267,003, which consisted of \$5,530,865 in repurchase agreements, \$10,698,951 in U.S. Treasury Securities, \$942,416 in FDIC Insured Bank Deposits and \$3,094,771 in collateralized bank deposits.

<u>Investments in Securities at Fair Value</u>	<u>Valuation Inputs</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
General Fund	\$17,947,576	\$ -	\$ -	\$ 17,947,576
School Food Service Fund	1,143,936	-	-	1,143,936
Capital Projects Fund	510,044	-	-	510,044
Debt Service Fund	<u>665,447</u>	<u>-</u>	<u>-</u>	<u>665,447</u>
Total	<u>\$20,267,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,267,003</u>

The above amounts represent the fair value of the investment pool shares the District invested in. For the year ended June 30, 2022, the portfolio did not have unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated/amortized:				
Land	\$ 299,027	\$ -	\$ -	\$ 299,027
Construction in Progress	<u>1,218,611</u>	<u>102,089</u>	<u>(1,072,188)</u>	<u>248,512</u>
Total cost non-depreciable assets	<u>1,517,638</u>	<u>102,089</u>	<u>(1,072,188)</u>	<u>547,539</u>
Capital assets that are depreciated/amortized:				
Buildings	61,105,657	16,653	-	61,122,310
Furniture and Equipment	2,569,346	1,213,050	-	3,782,396
Right-to-Use lease Assets:Equipment	464,058	29,250	-	493,308
Vehicles	<u>4,763,850</u>	<u>474,434</u>	<u>(374,726)</u>	<u>4,863,558</u>
Total cost depreciable assets	<u>68,902,911</u>	<u>1,733,387</u>	<u>(374,726)</u>	<u>70,261,572</u>
Less accumulated depreciation/amortization:				
Buildings	(19,068,098)	(1,688,311)	-	(20,756,409)
Furniture and Equipment	(2,138,916)	(155,615)	-	(2,294,531)
Right-to-Use Lease Assets:Equipment	(266,591)	(74,825)	-	(341,416)
Vehicles	<u>(2,827,387)</u>	<u>(474,260)</u>	<u>362,289</u>	<u>(2,939,358)</u>
Total accumulated depreciation/amortization	<u>(24,300,992)</u>	<u>(2,393,011)</u>	<u>362,289</u>	<u>(26,331,714)</u>
Net capital assets	<u>\$46,119,557</u>	<u>\$ (557,535)</u>	<u>\$ (1,084,625)</u>	<u>\$44,477,397</u>

Depreciation/Amortization expense was charged to

Governmental functions as follows:

General Support	\$ 606,271
Instruction	1,283,706
Pupil Transportation	481,164
School Lunch	<u>21,870</u>
	<u>\$ 2,393,011</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7 - SHORT-TERM DEBT**

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

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed/ Refunded</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bond Anticipation note:					
None	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Interest paid	\$ -
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Less bond premium recognized	-
Total Expense	<u>\$ -</u>

**NOTE 8 - LONG-TERM OBLIGATIONS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government activities:					
2012 Serial Bonds, final maturity 6/15/26, at 2.00%-3.25%, per year through final maturity	\$ 2,725,000	\$ -	\$ (825,000)	\$ 1,900,000	\$ 845,000
2018 Serial Bonds, final maturity 6/1/33, at 5.00%, per year to maturity	15,965,000	-	(1,135,000)	14,830,000	1,185,000
2020 Serial Bonds, final maturity 6/15/35, at 5.00%, per year to maturity	<u>4,475,000</u>	<u>-</u>	<u>(715,000)</u>	<u>3,760,000</u>	<u>230,000</u>
Total Bonds Payable	23,165,000	-	(2,675,000)	20,490,000	2,260,000
Other Liabilities:					
Leases Payable	145,244	-	(37,676)	107,568	38,586
Compensated Absences	78,353	40,580	(24,296)	94,637	-
Other Postemployment benefits	117,321,374	9,000,747	(2,626,886)	123,695,235	-
Net Pension Liabilities:					
TRS	1,623,103	-	(1,623,103)	-	-
ERS	<u>10,849</u>	<u>-</u>	<u>(10,849)</u>	<u>-</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$142,343,923</u>	<u>\$ 9,041,327</u>	<u>\$ (6,997,810)</u>	<u>\$144,387,440</u>	<u>\$2,298,586</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8 - LONG-TERM OBLIGATIONS (continued)**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2023	\$ 2,260,000	\$ 982,625	\$ 3,242,625
2024	2,340,000	890,750	3,230,750
2025	1,585,000	791,150	2,376,150
2026	1,660,000	713,588	2,373,588
2027	1,640,000	632,250	2,272,250
2028-2032	9,355,000	1,851,000	11,206,000
2033-2037	<u>1,650,000</u>	<u>115,000</u>	<u>1,765,000</u>
	<u>\$ 20,490,000</u>	<u>\$ 5,976,363</u>	<u>\$ 26,466,363</u>

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

Interest paid on bonds	\$1,094,719
Interest paid on leases	3,060
Less interest accrued in the prior year	(45,613)
Less bond premium recognized	(352,459)
Plus interest accrued in the current year	<u>40,943</u>
Total Expense	<u>\$ 740,649</u>

**NOTE 9 - LEASES**

The District has acquired equipment under the provisions of various lease agreements. The District has various office and computer leases with St. Lawrence-Lewis BOCES expiring at various times through 2026. For the year ended June 30, 2022, the District had \$29,250 in expenditures under purchase lease agreements and \$40,736 under financing lease agreements.

The total amount of lease assets and the related accumulated amortization are as follows:

Total Intangible Right-to-Use Lease Assets	\$ 493,308
Less: Accumulated Amortization	<u>(341,416)</u>
Carrying Value of Lease Assets	<u>\$ 151,892</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2023	\$ 38,586	\$ 2,151	\$ 40,737
2024	28,779	1,282	30,061
2025	21,711	724	22,435
2026	<u>18,492</u>	<u>203</u>	<u>18,695</u>
	<u>\$ 107,568</u>	<u>\$ 4,360</u>	<u>\$ 111,928</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10 - INTERFUND BALANCES AND ACTIVITY**

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 799,367	\$ 1,000,212	\$ 456,871	\$ 1,090,071
Special Aid Funds	-	377,671	89,859	-
School Lunch Funds	212	-	212	-
Debt Service Funds	832	-	-	456,871
Capital Funds	1,000,000	422,528	1,000,000	-
Total governmental activities	1,800,411	1,800,411	1,546,942	1,546,942
Fiduciary Agency Fund	-	-	-	-
Totals	<u>\$ 1,800,411</u>	<u>\$ 1,800,411</u>	<u>\$ 1,546,942</u>	<u>\$ 1,546,942</u>

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

The District typically transfers from the General Fund to the Special Aid Fund, for the proportionate share of Summer School program costs.

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

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

**NOTE 11 - PENSION PLANS**

**GENERAL INFORMATION:**

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

**PLAN DESCRIPTIONS AND BENEFITS PROVIDED**

**Teachers' Retirement Systems (TRS)**

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PLAN DESCRIPTIONS AND BENEFITS PROVIDED (continued)**

**Employees' Retirement Systems (ERS)**

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State Statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at: [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Contributions**

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 percent 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 ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

	<u>NYSTRS</u>	<u>NYSERS</u>
2021-2022	\$ 939,000	\$ 521,000
2020-2021	\$ 883,000	\$ 490,000
2019-2020	\$ 1,053,000	\$ 469,000

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PENSION ASSETS/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	31-Mar-22	30-Jun-21
Net pension asset/(liability)	\$ 889,715	\$10,055,373
District's portion of the Plan's total net pension asset/(liability)	0.0108839%	0.058026%
Change in proportion since the prior Measurement date	(0.0000117)%	(0.000713)%

For the year ended June 30, 2022, the District recognized pension expense of \$96,728 for ERS and the actuarial value of \$(577,348) for TRS. At June 30, 2022 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>	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 67,379	\$ 1,386,026	\$ 87,395	\$ 52,242
Changes of assumptions	\$ 1,484,835	\$ 3,307,422	\$ 25,055	\$ 585,696
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ -	\$ 2,913,445	\$ 10,523,988
Changes in proportion and differences between the District's contributions and proportionate share of contributions	\$ 99,919	\$ 83,496	\$ 5,839	\$ 55,110
District's contributions subsequent to the measurement date	<u>\$ 121,790</u>	<u>\$ 935,600</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 1,773,923	\$ 5,712,544	\$ 3,031,734	\$ 11,217,036

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PENSION ASSETS/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Fiscal year ended June 30,		
2023	\$ (187,003)	\$ (1,298,904)
2024	(297,119)	(1,524,597)
2025	(742,311)	(1,910,777)
2026	(153,168)	(2,529,652)
2027	-	485,350
Thereafter	-	338,488

**Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Investment Rate of Return	5.9%	6.95%
Salary Scale	4.4%, indexed by Service	1.95% - 5.18%
Projected COLAs	1.4%	1.3%
Decrement Tables	April 1, 2015-March 31, 2020	July 1, 2015-June 30, 2020
	System's Experience	System's Experience
Inflation Rate	2.7%	2.20%

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PENSION ASSETS/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

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

		<u>ERS</u>
Measurement Date	March 31, 2022	
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	32%	3.30%
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARS Portfolio	3	4.10
Credit	4	3.78
Real Asset	3	5.80
Fixed Income	23	0.00
Cash	1	(1.00)
	<u>100%</u>	

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PENSION ASSET(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

	<u>TRS</u>	
Measurement Date	June 30, 2021	
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	33%	6.8%
International Equity	16	7.6
Global Equity	4	7.1
Real Estate Equity	11	6.5
Private Equity	8	10.0
Domestic Fixed Income	16	1.3
Global Bonds	2	0.8
Private Debt	1	5.9
Real Estate Debt	7	3.3
High-Yield Bonds	1	3.8
Cash Equivalents	<u>1</u>	(0.2)
Total	<u>100%</u>	

\*Real rates of return are net of a long-term inflation assumption of 2.4% for 2021.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PENSION ASSET/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

**DISCOUNT RATE**

The discount rate used to calculate the total pension asset/(liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

**SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) TO THE DISCOUNT RATE ASSUMPTION**

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2022 calculated using the discount rate of 5.90% for ERS and 6.95% 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-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
<b>ERS</b>			
Employer's proportionate share of the net pension asset (liability)	\$(2,290,118)	\$ 889,715	\$ 3,549,492
	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
<b>TRS</b>			
Employer's proportionate share of the net pension asset (liability)	\$ 1,055,165	\$10,055,373	\$17,619,394

**PENSION PLAN FIDUCIARY NET POSITION**

The components of the collective net pension asset/(liability) of ERS as of March 31, 2022 measurement date were as follows:

Total pension liability	\$ 223,874,888,000
ERS fiduciary net position	<u>(232,049,473,000)</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585,000)</u>
ERS fiduciary net position as a Percentage of total pension liability/(asset)	<u>103.65%</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PENSION PLANS (continued)**

**PENSION PLAN FIDUCIARY NET POSITION (continued)**

The components of the collective net pension liability of TRS as of June 30, 2021 measurement date were as follows:

Total pension liability	\$ 130,819,415,417
TRS fiduciary net position	<u>(148,148,457,363)</u>
Employers' net pension liability (asset)	<u>\$ (17,329,041,946)</u>
TRS fiduciary net position as a Percentage of total pension liability/(asset)	<u>113.25%</u>

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

	ERS	TRS	Total
Measurement Date	March 31, 2022	June 30, 2021	
Employers' total pension liability	\$ 24,366,319	\$ 75,909,274	\$ 100,275,593
Plan Net Position	<u>(25,256,034)</u>	<u>(85,964,647)</u>	<u>(111,220,681)</u>
Employers' net pension (asset)/liability	\$ (889,715)	\$ (10,055,373)	\$( 10,945,088)
Ratio of plan net position to the Employers' total net pension asset/(liability)	103.65%	113.25%	110.91%

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

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2022 is \$96,728 for ERS and \$(577,348) for TRS.

**PAYABLES TO THE PENSION PLAN**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2022 represent the projected employer contributions for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$121,790.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 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, 2022 amounted to \$1,125,434.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**GENERAL INFORMATION ABOUT THE OPEB PLAN**

**Plan Description**

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

**Funding Policy**

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreements. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2022 approximately \$741,453 net of reimbursement was paid on behalf of retirees.

**Benefits Provided**

The District provides continuation of medical and/Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. 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, 2022, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries	
currently receiving benefit payments	160
Active Plan Members	<u>228</u>
Total Plan Members	<u><u>388</u></u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)**

**Net OPEB Liability**

The District's total OPEB liability of \$123,695,235 was measured as of July 1, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability at June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Rate of Inflation	2.40%
Discount Rate	2.14% 20-year Bond GO Index
Salary Scale	3.00%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates:	
Medical	7.50% for 2020 decreasing to an ultimate rate of 4.13% for 2089 and later years
Part B Reimbursement	5.00%

The discount rate is based on the Bond Buyer Weekly 20-Year Bond GO Index as of the measurement date (or the nearest business day thereto).

Mortality rates were based on the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, sex distinct, with generational mortality adjusted to 2006 with Scale MP-2014, and projected forward with scale MP-2020.

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of projections, no adjustments were made in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

Retirement participation rate assumed that 100% of future retirees eligible will elect medical coverage at retirement, and 60% of retiree's spouse will elect medical coverage, and 0% of surviving spouse will elect to participate. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

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



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**CHANGES IN THE TOTAL OPEB LIABILITY FOR THE PERIOD ENDING JUNE 30, 2022**

	<u>Total OPEB Liability</u>
Balance at Beginning of Year	\$ 117,321,374
<b>Changes for the year:</b>	
Service cost	4,821,430
Interest cost	2,670,329
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,508,988
Benefit payments	<u>(2,626,886)</u>
Net change in Total OPEB Liability	<u>6,373,861</u>
Balance at End of Year	<u>\$ 123,695,235</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% on July 1, 2020 to 2.14% on July 1, 2021.

**Sensitivity of the total OPEB liability to changes in the discount rate** - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.14%) or 1-percentage point higher (3.14%) than the current discount rate:

	1% Decrease <u>(1.14%)</u>	Discount Rate <u>(2.14%)</u>	1% Increase <u>(3.14%)</u>
Total OPEB liability	\$148,264,908	\$123,695,235	\$104,321,502

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

	1% Decrease <u></u>	Current Trend Rates <u></u>	1% Increase <u></u>
Total OPEB liability	\$101,032,913	\$123,695,235	\$153,898,643

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended June 30, 2022, the District recognized OPEB expense of \$8,680,926.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,010,263
Changes in assumptions or other inputs	17,893,866	2,542,747
Contributions subsequent to measurement date	<u>2,791,301</u>	<u>-</u>
Total	<u>\$ 20,685,167</u>	<u>\$ 5,553,010</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

	Amount
Fiscal year ended June 30,	
2023	\$ 1,189,167
2024	2,650,744
2025	3,199,381
2026	3,177,275
2027	1,982,965
2028 and Thereafter	141,324

**NOTE 13 - 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.

For its employee health and dental insurance coverage the Gouverneur Central School District is a participant in the St. Lawrence-Lewis Counties School District Employee Medical Plan, a public entity risk pool operated for the benefit of 18 individual governmental units located within the St. Lawrence and Lewis County areas. The School District pays an annual premium to the Plan for this employee health and dental insurance coverage. The St. Lawrence-Lewis County School Employee Medical Benefits Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$2,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$2,000,000 limit, and the District has essentially transferred all related risk to the pool.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 13 - RISK MANAGEMENT (continued)**

The Gouverneur Central School District participates in a risk sharing pool, Risk Retention, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims.

**NOTE 14 - FUND BALANCES**

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

**NOTE 15 - DONOR-RESTRICTED ENDOWMENTS**

The District administers an endowment fund, reported in the miscellaneous special revenue fund, which is restricted by the donor. Donor-restricted endowments are reported at fair value. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

**NOTE 16 - COMMITMENTS AND CONTINGENCIES**

**Grants**

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.

**Retirement Incentive**

The District does not accrue a liability for its retirement incentive because it is based on an uncontrollable future event. In accordance with the provisions of GASB #16, the value for the retirement incentive is considered a contingent liability. The District values this contingency at \$168,857.

**Tax Certiorari Actions**

Several tax certiorari actions are pending against the District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The District plans on funding any settlements from the Tax Certiorari Reserve, and/or future appropriations.

**Construction Contracts**

The District has remaining commitments to various contractors for current capital construction project totaling \$1,350,000 as of June 30, 2022.

**Economic Uncertainty**

The COVID-19 outbreak has caused a severe impact to the United States economy. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and spread. Therefore, while the District expects this matter to continue to negatively impact its operating results and financial condition, the related financial impact and duration cannot be reasonably estimated at this time.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 17 - TAX ABATEMENTS**

The County of St. Lawrence, enters into various property tax abatement programs for the purpose of economic development. The Industrial Development Agency (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively “the Act”), has one real property tax abatement agreements with an entity in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District. Generally, these agreements provide for an abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements, the PILOT will discontinue as outlined in each agreement. Additionally, the Town of Fowler has entered into a residential PILOT with an entity. As a result of these tax abatement agreements, for the year ended June 30, 2022, the District’s property tax revenues were reduced by \$216,702. The District received payment in Lieu of Tax (PILOT) payments totaling \$13,857.

**NOTE 18 - SUBSEQUENT EVENTS**

The District has evaluated events and transactions that occurred between June 30, 2022 and September 25, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTE 19 - RESTATEMENT**

During the year, the District adopted GASB Statement No. 87. The District’s beginning of the year net position for government-wide funds has been restated to reflect the following:

Net Position - Balance at July 1, 2021	\$ (61,614,223)
GASB Statement No. 87 Implementation	<u>52,223</u>
Net Position – Beginning of Year, as Restated	<u>\$ (61,562,000)</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 39,960,574
Add: Prior Year's Encumbrances	<u>268,095</u>
Original Budget	40,228,669
Add: Increases in Appropriations	<u>134,549</u>
Add: Budget Additions	<u>142,011</u>
Budget Reductions	<u>-</u>
Final Budget	<u><u>\$ 40,505,229</u></u>

Next year's budget is a voter-approved budget of: \$ 41,317,007

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

2022-2023 Voter-approved Expenditure Budget	
Maximum Allowed 4% of 2022-2023 Budget	\$ 41,317,007

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

Unrestricted Fund Balance:	
Committed Fund Balance	-
Assigned Fund Balance	3,481,813
Unassigned Fund Balance	<u>1,634,256</u>
Total Unrestricted Fund Balance	<u><u>\$ 5,116,069</u></u>

Less:	
Appropriated Fund Balance	3,225,571
Insurance Recovery Reserve	-
Tax Reduction Reserve	-
Encumbrances Included in Committed and Assigned Fund Balance	<u>256,242</u>
Total Adjustments	<u><u>\$ 3,481,813</u></u>

General Fund Fund Balance Subject to Section 1318	
Real Property Tax Law	<u><u>\$ 1,634,256</u></u>

Actual Percentage 3.96%

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
<b>REVENUES</b>				
Local Sources:				
Real Property Taxes	\$ 6,686,829	\$ 6,686,829	\$ 5,759,492	\$ (927,337)
Other Tax Items	61,429	61,429	955,230	893,801
Charge for Services	60,000	60,000	266,991	206,991
Use of Money and Property	15,250	15,250	49,165	33,915
Sale of Property and Compensation for Loss	1,000	15,389	17,389	2,000
Miscellaneous	250,000	256,251	465,123	208,872
Interfund Revenues	-	-	-	-
Total Local Sources	<u>7,074,508</u>	<u>7,095,148</u>	<u>7,513,390</u>	<u>418,242</u>
State Sources	28,565,062	28,565,062	29,292,764	727,702
Federal Sources	-	121,372	121,371	(1)
Total Revenues	35,639,570	35,781,582	36,927,525	1,145,943
<b>OTHER FINANCING SOURCES</b>				
Transfers from Other Funds	456,871	456,871	456,871	-
Appropriated Fund Balance	<u>3,864,133</u>	<u>4,266,776</u>	<u>-</u>	<u>(4,266,776)</u>
Total Revenues and Other Financing Sources	<u>\$ 39,960,574</u>	<u>\$ 40,505,229</u>	<u>\$ 37,384,396</u>	<u>\$ (3,120,833)</u>

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
<b>EXPENDITURES</b>					
General Support:					
Board of Education	\$ 38,515	\$ 38,610	\$ 20,948	\$ -	\$ 17,662
Central Administration	239,250	240,393	217,106	-	23,287
Finance	408,146	413,661	348,766	4,124	60,771
Staff	404,410	401,285	351,957	-	49,328
Central Services	3,298,430	3,602,204	3,116,620	82,284	403,300
Special Items	1,344,281	1,344,281	1,338,257	-	6,024
Total General Support	<u>5,733,032</u>	<u>6,040,434</u>	<u>5,393,654</u>	<u>86,408</u>	<u>560,372</u>
Instruction:					
Instruction, Administration & Improvement	1,036,524	1,079,590	911,405	4,887	163,298
Teaching - Regular School	7,163,401	7,139,789	6,331,871	27,342	780,576
Programs for Students with Disabilities	4,906,335	5,109,987	3,997,087	81,266	1,031,634
Occupational Education	1,374,221	1,376,742	1,317,710	-	59,032
Teaching - Special Schools	-	7,718	7,718	-	-
Instructional Media	1,049,365	1,093,742	980,131	28,127	85,484
Pupil Services	1,475,020	1,516,123	1,237,921	18,457	259,745
Total Instruction	<u>17,004,866</u>	<u>17,323,691</u>	<u>14,783,843</u>	<u>160,079</u>	<u>2,379,769</u>
Pupil Transportation	2,961,445	2,986,301	2,640,303	9,748	336,250
Community Services	-	-	-	-	-
Employee Benefits	9,389,512	9,277,284	7,949,490	7	1,327,787
Debt Service	3,769,719	3,769,719	3,810,455	-	(40,736)
Total Expenditures	<u>38,858,574</u>	<u>39,397,429</u>	<u>34,577,745</u>	<u>256,242</u>	<u>4,563,442</u>
<b>OTHER FINANCING USES</b>					
Transfers To Other Funds	<u>1,102,000</u>	<u>1,107,800</u>	<u>1,090,071</u>	<u>-</u>	<u>17,729</u>
Total Expenditures and Other Uses	<u>\$ 39,960,574</u>	<u>\$ 40,505,229</u>	<u>\$ 35,667,816</u>	<u>\$ 256,242</u>	<u>\$ 4,581,171</u>
Excess Revenue and Other Sources over Expenditures and Other Uses			1,716,580		
Fund Balance - Beginning of Year			<u>16,311,199</u>		
Fund Balance - End of Year			<u>\$ 18,027,779</u>		

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-SCHOOL LUNCH FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance with Budgetary Actual
<b>REVENUES</b>					
Use of Money and Property	\$ 500	\$ 500	\$ 1,909		\$ 1,409
Sale of Property and Compensation for Loss	-	-	-		-
Miscellaneous	-	-	49		49
State and Federal Sources	894,845	967,595	1,209,514		241,919
Surplus Food	40,000	70,500	79,744		9,244
Sales	45,000	45,000	34,698		(10,302)
<b>Total Revenues</b>	<u>980,345</u>	<u>1,083,595</u>	<u>1,325,914</u>		<u>242,319</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from Other Funds	-	-	212		212
Appropriated Fund Balance	<u>109,750</u>	<u>177,091</u>	<u>-</u>		<u>(177,091)</u>
 Total Revenues and Other Financing Sources	 <u>1,090,095</u>	 <u>1,260,686</u>	 <u>1,326,126</u>		 <u>65,440</u>
<b>EXPENDITURES</b>					
	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual
Employee Benefits	158,095	132,392	123,629	-	8,763
Cost of Sales	<u>932,000</u>	<u>1,128,295</u>	<u>828,378</u>	<u>49,863</u>	<u>250,054</u>
<b>Total Expenditures</b>	<u>\$ 1,090,095</u>	<u>\$ 1,260,687</u>	<u>952,007</u>	<u>\$ 49,863</u>	<u>\$ 258,817</u>
Revenue and Other Sources over Expenditures and Other Uses			374,119		
Fund Balance - Beginning of Year			<u>1,046,208</u>		
Fund Balance - End of Year			<u><u>\$ 1,420,327</u></u>		

See paragraph on supplementary schedules included in auditors' report.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended Balance	Proceeds of Obligations	Excel/Smart School	Local Sources	Total	Fund Balance June 30, 2022
			Prior Year	Current Year	Total						
East Side Elementary	\$ 9,180,000	\$ 11,369,081	\$ 11,369,081	\$ -	\$ 11,369,081	\$ -	\$ 10,644,081	\$ 325,000	\$ 400,000	\$ 11,369,081	\$ -
West Side Middle School	11,745,000	13,542,324	13,542,324	-	13,542,324	-	12,240,919	490,855	810,550	13,542,324	-
Senior High School	10,525,000	7,014,684	7,014,539	-	7,014,539	145	6,219,145	-	795,539	7,014,684	145
High School Windows	1,555,000	1,555,000	-	136,931	136,931	1,418,069	555,000	-	1,000,000	1,555,000	1,418,069
Total 2015 Project	<u>33,005,000</u>	<u>33,481,089</u>	<u>31,925,944</u>	<u>136,931</u>	<u>32,062,875</u>	<u>1,418,214</u>	<u>29,659,145</u>	<u>815,855</u>	<u>3,006,089</u>	<u>33,481,089</u>	<u>1,418,214</u>
SBBA #7999-01	1,728,500	1,072,188	1,218,611	(146,423)	1,072,188	-	-	1,072,188	-	1,072,188	-
SBBA #7999-02	334,886	334,886	-	111,581	111,581	223,305	-	58,969	-	58,969	(52,612)
Total SSBA	<u>2,063,386</u>	<u>1,407,074</u>	<u>1,218,611</u>	<u>(34,842)</u>	<u>1,183,769</u>	<u>223,305</u>	<u>-</u>	<u>1,131,157</u>	<u>-</u>	<u>1,131,157</u>	<u>(52,612)</u>
<b>Total</b>	<u><u>\$ 35,068,386</u></u>	<u><u>\$ 34,888,163</u></u>	<u><u>\$ 33,144,555</u></u>	<u><u>\$ 102,089</u></u>	<u><u>\$ 33,246,644</u></u>	<u><u>\$ 1,641,519</u></u>	<u><u>\$ 29,659,145</u></u>	<u><u>\$ 1,947,012</u></u>	<u><u>\$ 3,006,089</u></u>	<u><u>\$ 34,612,246</u></u>	<u><u>\$ 1,365,602</u></u>

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SUPPLEMENTARY SCHEDULE OF  
COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Miscellaneous Special Revenue	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Unrestricted Cash	\$ -	\$ 5,000	\$ 5,000
Restricted Cash	18,354	-	18,354
Due from Other Funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 18,354</u>	<u>\$ 5,000</u>	<u>\$ 23,354</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Retainage Payable	-	-	-
Bond Anticipation Notes Payable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Non-spendable	-	5,000	5,000
Restricted	18,354	-	18,354
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>18,354</u>	<u>5,000</u>	<u>23,354</u>
Total Liabilities and Fund Balance	<u>\$ 18,354</u>	<u>\$ 5,000</u>	<u>\$ 23,354</u>

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SUPPLEMENTARY SCHEDULE OF  
COMBINED REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Miscellaneous Special Revenue	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
<b>REVENUES</b>			
Use of Money and Property	\$ 411	\$ -	\$ 411
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>411</u>	<u>-</u>	<u>411</u>
<b>EXPENDITURES</b>			
Other Expenses	-	-	-
Capital Outlay	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficit) Revenues Over Expenditures</b>	<u>411</u>	<u>-</u>	<u>411</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Proceeds From Debt	-	-	-
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)</b>	411	-	411
<b>Fund Balance, Beginning of Year</b>	<u>17,943</u>	<u>5,000</u>	<u>22,943</u>
<b>Fund Balance, End of Year</b>	<u>\$ 18,354</u>	<u>\$ 5,000</u>	<u>\$ 23,354</u>

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
NET INVESTMENT IN CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2022**

Capital Assets, Net		\$ 44,477,397
Deduct:		
Unamortized Bond Premium	2,038,178	
Short-term Portion of Bonds Payable	2,260,000	
Short-term Portion of Lease Payable	38,586	
Long-Term Portion of Bonds Payable	18,230,000	
Long-Term Portion of Leases Payable	<u>68,982</u>	
		22,635,746
Net Investment in Capital Assets		<u><u>\$ 21,841,651</u></u>

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS**

Measurement Date	2022 July 1, 2021	2021 July 1, 2020	2020 July 1, 2019	2019 July 1, 2018	2018 July 1, 2017
<b>Total OPEB Liability</b>					
Service cost	\$ 4,821,430	\$ 3,116,016	\$ 3,202,508	\$ 2,446,125	\$ 3,200,562
Interest	2,670,329	3,376,906	3,530,852	3,148,758	2,761,762
Changes in benefit terms	-	-	-	(94,986)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(1,367,553)	-	(5,068,128)	-
Changes of assumptions or other inputs	1,508,988	20,106,666	1,093,847	4,867,370	(12,553,557)
Benefit payments	<u>(2,626,886)</u>	<u>(2,555,311)</u>	<u>(2,433,068)</u>	<u>(2,135,994)</u>	<u>(2,049,558)</u>
Net change in total OPEB liability	6,373,861	22,676,724	5,394,139	3,163,145	(8,640,791)
Total OPEB liability - beginning	<u>117,321,374</u>	<u>94,644,650</u>	<u>89,250,511</u>	<u>86,087,366</u>	<u>94,728,157</u>
Total OPEB liability - ending	<u><u>\$ 123,695,235</u></u>	<u><u>\$ 117,321,374</u></u>	<u><u>\$ 94,644,650</u></u>	<u><u>\$ 89,250,511</u></u>	<u><u>\$ 86,087,366</u></u>
Covered payroll	<u><u>\$ 11,084,232</u></u>	<u><u>\$ 13,119,033</u></u>	<u><u>\$ 13,119,033</u></u>	<u><u>\$ 12,748,923</u></u>	<u><u>\$ 12,617,984</u></u>
Total OPEB liability as a percentage of covered payroll	1115.96%	894.28%	721.43%	700.06%	682.26%

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect at the current measurement date is 2.14%.

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

(1) Data not available prior to fiscal year 2018 implementation of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

\* Ratios not provided

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS**

**New York State Teachers Retirement System (TRS)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability (asset)	0.058026%	0.058739%	0.059397%	0.058923%	0.060044%	0.059490%	0.059280%	0.056963%
District's proportionate share of the net pension liability (asset)	\$ (10,055,373)	\$ 1,623,103	\$ (1,543,132)	\$ (1,065,483)	\$ (456,390)	\$ 637,166	\$ (6,157,268)	\$ (6,345,324)
District's covered-employee payroll	\$ 9,848,895	\$ 10,034,324	\$ 9,914,289	\$ 9,597,891	\$ 9,513,780	\$ 9,366,618	\$ 9,079,939	\$ 8,410,250
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-102.10%	16.18%	-15.56%	-11.10%	-4.80%	6.80%	-67.81%	-75.45%
Plan fiduciary net position as a percentage of the total pension liability	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**New York State Employees Retirement System (ERS)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability (asset)	0.0108839%	0.0108956%	0.0108010%	0.0102847%	0.0107385%	0.9842500%	0.0103902%	0.01000870%
District's proportionate share of the net pension liability (asset)	\$ (889,715)	\$ 10,849	\$ 2,860,181	\$ 728,706	\$ 346,581	\$ 924,820	\$ 1,667,651	\$ 338,117
District's covered-employee payroll	\$ 3,380,575	\$ 3,541,269	\$ 3,415,147	\$ 3,202,703	\$ 3,118,885	\$ 2,948,824	\$ 2,913,348	\$ 2,759,185
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-26.32%	0.31%	83.75%	22.75%	11.11%	31.36%	57.24%	12.25%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Note - amounts presented for each fiscal year were determined as of the March 31st measurement date as of the current fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**New York State Teachers Retirement System (TRS)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 938,600	\$ 883,323	\$ 1,052,898	\$ 940,593	\$ 1,115,149	\$ 1,217,262	\$ 1,560,978	\$ 1,367,328
Contributions in relation to the contractually required contribution	938,600	883,323	1,052,898	940,593	1,115,149	1,217,262	1,560,978	1,367,328
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 9,848,895	\$ 10,034,324	\$ 9,914,289	\$ 9,597,891	\$ 9,513,780	\$ 9,366,618	\$ 9,079,939	\$ 8,410,250
Contributions as a percentage of covered employee payroll	9.53%	8.80%	10.62%	9.80%	11.72%	13.00%	17.19%	16.26%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

**New York State Employees Retirement System (ERS)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 520,520	\$ 490,349	\$ 468,815	\$ 458,653	\$ 460,968	\$ 450,991	\$ 560,416	\$ 483,396
Contributions in relation to the contractually required contribution	520,520	490,349	468,815	458,653	460,968	450,991	560,416	483,396
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,380,575	\$ 3,541,269	\$ 3,415,147	\$ 3,202,703	\$ 3,118,885	\$ 2,948,824	\$ 2,913,348	\$ 2,759,185
Contributions as a percentage of covered employee payroll	15.40%	13.85%	13.73%	14.32%	14.78%	15.29%	19.24%	17.52%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures
<b><u>U.S. Department of Education</u></b>			
<b>Passed Through New York State</b>			
<b>Department of Education:</b>			
Title I Grants to Local Education Agencies	84.010	0021-22-2605	\$ 750,160
Title I Grants to Local Education Agencies	84.010	0021-21-2605	46,001
COVID-19 Educational Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act	84.425D	5890-21-2605	114,935
COVID-19 Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act Program Elementary and Secondary School Emergency Relief Round 2	84.425D	5891-21-2605	1,198,729
COVID-19 Educational Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act (GEER)	84.425C	5895-21-2605	6,436
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5880-21-2605	246,257
Supporting Effective Instruction State Grants	84.367A	0147-22-2605	90,749
Supporting Effective Instruction State Grants	84.367A	0147-21-2605	5,830
Rural Education	84.358B	0006-22-2605	393
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-22-2605	77,091
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-21-2605	3,923
Subtotal			<u>2,540,504</u>
Special Education-Grants to States (IDEA, Part B)	84.027	0032-22-0790	444,896
Special Education-Preschool Grants (IDEA Preschool)	84.173	0033-22-0790	13,280
Total Special Education Cluster			<u>458,176</u>
Total - U.S. Department of Education			<u>2,998,680</u>
<b><u>U.S. Department of Agriculture</u></b>			
<b>Passed Through NYS Office of General Services</b>			
National School Lunch Program- surplus food	10.555	N/A	<u>79,744</u>
<b>Passed Through New York State</b>			
<b>Department of Education:</b>			
COVID-19 School Breakfast Program	10.553	511101060000	291,115
COVID-19 National School Lunch Program	10.555	511101060000	749,345
COVID-19 Summer Food Service Program for Children	10.559	511101060000	138,213
Total Child Nutrition Cluster			<u>1,258,417</u>
COVID-19 Pandemic EBT Administrative Cost	10.649	511101060000	4,859
Total - U.S. Department of Agriculture			<u>1,263,276</u>
Total All Federal Programs			<u>\$ 4,261,956</u>

See paragraph on supplementary schedules included in auditors' report.



**GOUVERNEUR CENTRAL SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The District has not elected to use the 10 percent *de minimis* cost rate as covered in CFR200.414 Indirect (F&A) costs.

**NOTE 2 - SUB-RECIPIENTS**

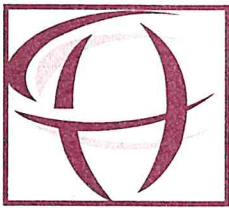
No amounts were provided to sub-recipients.

**NOTE 3 - OTHER DISCLOSURES**

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

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

Federal awards non-cash assistance of \$79,744 was given from the USDA in the form of surplus food.



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

To the Board of Education  
Gouverneur Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gouverneur Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Gouverneur Central School District's basic financial statements and have issued our report thereon dated September 25, 2022.

#### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



**Crowley & Halloran, CPAs, P.C.**  
*Certified Public Accountants, Auditors, and Consultants*

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

**Report on Compliance and Other Matters**

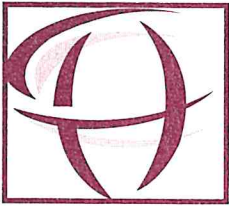
As a part of obtaining reasonable assurance about whether Gouverneur Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

**Purpose of this Report**

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

*Crowley & Halloran CPAs P.C.*  
Watertown, NY  
September 25, 2022





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

To the Board of Education  
Gouverneur Central School District

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

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

We have audited Gouverneur Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Gouverneur Central School District's major federal programs for the year ended June 30, 2022. Gouverneur Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Gouverneur Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Gouverneur Central School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Gouverneur Central School District's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Gouverneur Central School District's federal programs.



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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gouverneur Central School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Gouverneur Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Gouverneur Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Gouverneur Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Gouverneur Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.





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

**Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Crowley & Halloran CPAs P.C.*  
Watertown, NY  
September 25, 2022

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

1. The auditors' report expresses an unmodified opinion on the general purpose financial statements of Gouverneur Central School District.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Gouverneur Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

**Federal Awards**

1. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs were reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
2. The auditors' report on compliance for the major federal award programs for Gouverneur Central School District expresses an unmodified opinion on the programs tested as major federal programs.
3. No audit findings relative to the major federal award programs for Gouverneur Central School District that are required to be reported in accordance with 2 CFR section 200.516(a) reported in this Schedule.
4. The programs tested as major programs include:

**Identification of major programs**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Education Agencies
84.425D	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act
84.425D	Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act Program Elementary and Secondary School Emergency Relief Round 2
84.425C	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act (GEER)
84.425U	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)

5. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
6. Gouverneur Central School District was determined to be a low-risk auditee.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022  
(CONTINUED)**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**COMPLIANCE AND OTHER MATTERS**

None noted.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

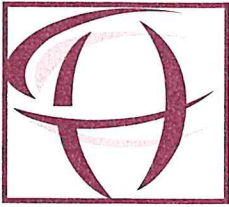


**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2022**

**Finding 2021-001: Fund Balance: Real Property Tax Law**

***Condition and Criteria:*** The District's 2020-2021 unassigned 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.

***Current Status:*** Corrected in 2021-2022. Fund balance was monitored to ensure unassigned fund balance did not exceed the limit imposed by New York State Real Property Tax Law in the current year.



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## **INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND**

To the Board of Education  
Gouverneur Central School District

### **Opinions**

We have audited the accompanying Statement of Assets, Liabilities and Fund Balance - Cash Basis of the Extraclassroom Activity Fund of Gouverneur Central School District as of June 30, 2022, the related Statements of Cash Receipts and Disbursements – Cash Basis, and the related note to the financial statements for the year then ended.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Fund of the Gouverneur Central School District as of June 30, 2022, and its cash receipts and cash disbursements – cash basis for the year then ended on the basis of accounting described in Note 1.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gouverneur Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 fraud or error.



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## **INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND (continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Gouverneur Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gouverneur Central School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

  
Watertown, NY  
September 25, 2022

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND -  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
JUNE 30, 2022**

**ASSETS**

Cash	<u>\$ 71,616</u>
Total Assets	<u><u>\$ 71,616</u></u>

**LIABILITIES AND FUND BALANCE**

Fund Balance	<u>\$ 71,616</u>
Total Liabilities and Fund Balance	<u><u>\$ 71,616</u></u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND -  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balances June 30, 2021	Receipts	Disbursements	Cash Balances June 30, 2022
Art Club	\$ 1,524	\$ -	\$ 280	\$ 1,244
Band	240	-	-	240
CODA	427	490	761	156
Class of 2020	8,923	-	8,923	-
Class of 2021	1,251	-	1,251	-
Class of 2022	12,381	36,828	45,493	3,716
Class of 2023	2,139	13,451	5,261	10,329
Class of 2024	-	11,878	6,555	5,323
Class of 2025	-	4,370	2,068	2,302
Deanonian	12,655	15,034	9,340	18,349
Drama-JH	1,612	-	1,612	-
Drama-SH	4,418	7,559	5,434	6,543
FFA	1,178	2,939	2,330	1,787
Interest	245	8	-	253
Key Club	1,204	545	481	1,268
Nat'l Jr. Honor Society	193	650	818	25
Nat'l Sr. Honor Society	1,463	9,634	9,995	1,102
Student Council - JH	3,544	27,342	22,868	8,018
Student Senate - SH	4,286	5,754	5,596	4,444
Taxes, Sales	254	3,462	3,665	51
Varsity	3,592	8,934	7,959	4,567
Thespian Society	1,899	-	-	1,899
	<u>1,899</u>	<u>-</u>	<u>-</u>	<u>1,899</u>
Totals	<u>\$ 63,428</u>	<u>\$ 148,878</u>	<u>\$ 140,690</u>	<u>\$ 71,616</u>

The accompanying notes are an integral part of these financial statements.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT  
EXTRAClassroom Activity Fund  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The transactions of the Extraclassroom Activity Funds are considered a part of the reporting entity of the Gouverneur Central School District. The transactions for the year are not included in the combined financial statements of the school district, but the June 30, 2022 cash balances are included in the Fiduciary Fund.

The books and records of the Gouverneur Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

The School District's management requires that all activities included in the Extraclassroom Activity Fund meet the criteria for student activities as established by the New York State Education Department.