

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

ANNUAL FINANCIAL REPORT

JUNE 30, 2021

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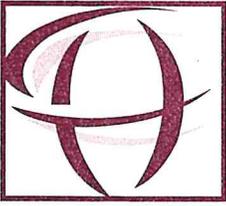
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Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

* Licensed in NY & PA

Members of:
AICPA
NYSSCPA
Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

Independent Auditors' Report

To the Board of Education
Gouverneur Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gouverneur Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Opinions

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

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 16 to the financial statements which disclose the effects of Gouverneur Central School District's adoption of the provisions of Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



Independent Auditors' Report (continued)

Other Information - continued

The other supplementary information listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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, 2021, 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.

Crowley & Halloran, CPAs, P.C.
September 25, 2021
Watertown, New York

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021. This section is a summary of the School District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the 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 11,044. 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 President of the Board is the chief fiscal officer of the School District. 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 253 full-time and part-time employees who provide services to approximately 1,500 students. The School District currently operates an elementary school (PK-4), one middle school (5-8) and one high school (9-12). The district runs 25 buses and averages 2,042 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.

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, 2021
(CONTINUED)**

FINANCIAL HIGHLIGHTS

- Among major funds, the General Fund had \$36,407,395 in incoming monies and \$33,767,599 in monies going out. The General Fund's balance increased \$2,639,796 from the 2019-20 fiscal year. The district established additional reserves of \$3,233,930 (overall reserves increased \$2,829,417 to protect the school district and the residents against hard fiscal times in the future. The 2020-21 tax levy set by the Board of Education was a 1.97% increase from the prior year which did not exceed the tax cap limit. Therefore, the taxpayers of the Gouverneur CSD will qualify for the tax rebate.

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, 2021
(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, 2021
(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.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities and changes in net position 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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.

**GOVERNEUR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Condensed Statement of Net Position

	Governmental Activities and Total School District		<u>\$ Change</u>	<u>% Change</u>
	<u>2021</u>	<u>2020</u>		
Current and Other Assets	\$ 20,189,374	\$ 17,452,605	\$ 2,736,769	15.7%
Capital & Pension Asset	45,922,090	48,217,240	(2,295,150)	(4.8%)
Total Assets	<u>66,111,464</u>	<u>65,669,845</u>	<u>441,619</u>	<u>0.7%</u>
Deferred Outflows of Resources	<u>31,069,334</u>	<u>13,946,965</u>	<u>17,122,369</u>	<u>122.8%</u>
Long-Term Debt Outstanding	142,198,680	123,508,801	18,689,879	15.1%
Other Liabilities	4,026,085	4,961,498	(935,413)	(18.9%)
Total Liabilities	<u>146,224,765</u>	<u>128,470,299</u>	<u>17,754,466</u>	<u>13.8%</u>
Deferred Inflows of Resources	<u>12,570,256</u>	<u>12,339,021</u>	<u>231,235</u>	<u>1.9%</u>
Net Position				
Net Investment in Capital Assets	20,366,453	20,769,108	(402,655)	(1.9%)
Restricted	9,988,537	8,113,446	1,875,091	23.1%
Unrestricted	(91,969,213)	(90,075,064)	(1,894,149)	(2.1%)
Total Net Position (Deficit)	<u>\$ (61,614,223)</u>	<u>\$ (61,192,510)</u>	<u>\$ (421,713)</u>	<u>(0.7%)</u>

Total net position decreased by \$(421,713) because of the following:

- Total Assets increased \$441,619. Current and other assets increased by \$2,736,769 as a result of unspent bond proceeds which increased cash and lower due from state and federal amounts. Capital assets decreased \$2,295,150 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. The District's proportionate net share of the pension is a liability in the current year of \$1,623,103 and in the prior year was an asset of \$1,543,132 for an overall decrease of \$3,166,235.
- The District recorded its proportionate share of the Deferred Outflows of Resources related to pensions of \$7,906,597, for an increase of \$867,157 from 2019-20. The District recorded deferred outflows of \$23,162,737 of resources related to the Other Post-Employment Benefits (OPEB), for an increase of \$16,255,212.
- Total Liabilities increased \$17,754,466. Long-term Liabilities increased by \$18,689,879 from a combination of 1) the District's Actuarial calculated Other Post-Employment Benefits increased in the amount of \$22,676,724 to \$117,321,374 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 \$2,740,000; and 3) the District recorded its proportionate share of the pension liability \$1,633,952, this decreased \$1,226,229 from 2019-20. Current Liabilities decreased overall \$935,413 as a result of a decrease in retainage in the amount of \$280,805, accounts payable decrease of \$219,885 and other liabilities decreased of \$510,223 due to the current year recognition of the bond premium on the 2020 bonds received which is recognized over the life of the bond along

See paragraph on supplementary schedules included in auditors' report.

**GOVERNEUR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

with premiums on other bonds decreasing interest expense. Due to Teachers' and Employees' Retirement increased \$73,399 due to higher rates.

- The District recorded its proportionate share of the Deferred Inflows of Resources \$4,055,440 in accordance with the GASB #68 standard, this increased by \$1,825,488. The District also recorded deferred inflows related to OPEB in the amount of \$8,514,816, this was an decrease of \$(1,594,253) from the 2019-2020 year.
- Restricted net position reflects increases in various reserves and fund balances that are restricted by purpose.

Net Position from Operating Results

	<u>Governmental Activities and Total School District</u>			
	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 218,604	\$ 259,688	\$ (41,084)	(15.8%)
Operating Grants and Contributions	3,269,173	2,921,196	347,977	11.9%
General Revenues				
Property Taxes and Other Tax Items	6,527,316	6,400,825	126,491	2.0%
State Formula Aid	29,104,789	28,103,534	1,001,255	3.6%
Federal Aid	730,488	-	730,488	100.0%
Interest Earnings	14,793	250,664	(235,871)	(94.1%)
Miscellaneous	<u>904,864</u>	<u>872,930</u>	<u>31,934</u>	<u>3.7%</u>
Total Revenues and Special Items	<u>40,770,027</u>	<u>38,808,837</u>	<u>1,961,190</u>	<u>5.1%</u>
Expenses				
General Support	9,198,644	8,068,711	1,129,933	14.0%
Instruction	28,274,885	26,543,658	1,731,227	6.5%
Transportation	1,913,967	2,652,938	(738,971)	(27.9%)
Debt Service - Interest	788,236	839,597	(51,361)	(6.1%)
Cost of Sales - Food	<u>1,016,008</u>	<u>1,148,374</u>	<u>(132,366)</u>	<u>(11.5%)</u>
Total Expenses	<u>41,191,740</u>	<u>39,253,278</u>	<u>1,938,462</u>	<u>4.9%</u>
(Decrease) Increase in Net Position	<u>\$ (421,713)</u>	<u>\$ (444,441)</u>	<u>\$ 22,728</u>	<u>5.1%</u>

Revenues:

Total revenues increased \$1,961,190 as shown above because of the following: 1) Increase of \$1,001,255 in State Aid General Operating Aid, Excess Costs Aid and Lottery Aid payments; 2) increase in federal source dollar by \$730,488 for COVID-19 related aid; 3) decrease in interest earnings by (\$235,871), and 4) increase of \$126,491 in real property taxes.

See paragraph on supplementary schedules included in auditors' report.

**GOVERNEUR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 14.0% 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 an increase of 6.5%. This covers contractual agreements for salaries and employee benefits, as well as the purchase of supplies and materials. Transportation expenses decreased (27.9%) because of the net of decreases to the transportation contract needs (COVID-19), decreases in price for gasoline and diesel fuel, and the reduction of bus repairs.

Debt Service Expenses: This area decreased \$51,361 or (6.1%) because the District's scheduled Serial Bond interest payments are decreasing as the bonds are paid down.

School Lunch Program: This area decreased \$132,366 or (11.5%) 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			%
	2021	2020	Change		2021	2020	Change	
General Support	\$ 9,198,644	\$ 8,068,711	14.0%	\$ 9,198,644	\$ 8,068,711	14.0%		
Instruction	28,274,885	26,543,658	6.5%	26,308,076	24,521,310	7.3%		
Pupil Transportation	1,913,967	2,652,938	(27.9%)	1,913,967	2,652,938	(27.9%)		
Debt Service - Interest	788,236	839,597	(6.1%)	788,236	839,597	(6.1%)		
Cost of Sales	1,016,008	1,148,374	(11.5%)	(504,960)	(10,162)	(4,869.1%)		
Total	\$ 41,191,170	\$39,253,278	4.9%	\$ 37,703,963	\$ 36,072,394	4.5%		

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.

**GOVERNEUR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the fiscal year 2021, the School District had \$45,922,090 invested in land, buildings, furniture and equipment, and vehicles. The following table compares fiscal 2021 balances to 2020.

Capital Assets

	Governmental Activities and Total School District		\$ Change	% Change
	2021	2020		
Land	\$ 299,027	\$ 299,027	\$ -	0.0%
Construction in Progress	1,218,611	6,860,192	(5,641,581)	(82.2%)
Buildings (net of depreciation)	42,037,559	37,179,302	4,858,257	13.1%
Vehicles, Equipment and Furniture (net of depreciation)	<u>2,366,893</u>	<u>2,335,587</u>	<u>31,306</u>	<u>1.3%</u>
Total	<u>\$ 45,922,090</u>	<u>\$46,674,108</u>	<u>\$ (752,018)</u>	<u>(1.6%)</u>

Capital Assets include depreciation expense of \$2,205,492.

During fiscal year 2021 the District made six bus purchases \$585,123 and reduced the cost of these purchases by trading-in eight older buses. Expenditures were made on the capital project of \$852,896 and placed into service \$6,494,477. The District also purchased \$80,348 of equipment.

Long-Term Debt

	Governmental Activities and Total School District		\$ Change	% Change
	2021	2020		
General Obligation Bonds	\$ 23,165,000	\$25,905,000	\$ 2,740,000	(10.6%)
Other Post-employment Benefits	117,321,374	94,644,650	22,676,724	24.0%
Compensated Absences	78,354	98,970	(20,616)	(20.8%)
Pension Liabilities	<u>1,633,952</u>	<u>2,860,181</u>	<u>(1,226,229)</u>	<u>(42.9%)</u>
Total	<u>\$ 142,198,680</u>	<u>\$123,508,801</u>	<u>\$ 18,689,879</u>	<u>15.1%</u>

General Obligation Bonds: The District paid \$2,740,000 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 \$22,676,724 from FY20 totaling \$117,321,374 at the end of FY21.

Pension Liabilities: The District recorded its proportionate share of the pension liability \$1,633,952 in accordance with the GASB #68 related to the TRS and ERS pension systems.

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, 2021
(CONTINUED)**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

General Fund Budgetary Highlights

Gouverneur Central School District's General Fund had \$36,407,395 in incoming monies and \$33,767,599 in monies going out, including transfers. The General Fund's balance increased \$2,639,796. For the 2020-21 fiscal year, we were able to limit the levy increase to 1.9%, which was within the tax cap limit.

The 2020-21 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. Due to COVID-19 continuing into the 2020-21 school year, students were given the choice between in-person instruction and remote instruction. At times, the entire student population was receiving remote instruction due to an uptick in COVID-19. This had an impact on the Central Services expenditures. Reductions in costs were seen in substitute costs, utilities, repairs, supplies and BOCES services.

The major excesses in Teaching-Regular School is generated from instructional salaries, BOCES services, contractual, supplies, Extracurricular and Athletics. Instructional salaries are budgeted in General Fund but if grant funding is sufficient, some salaries are then charged to a grant. 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. Extracurricular and Athletics were also impacted.

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 purchases of buses; purchase of supplies including gasoline and diesel fuel at variable prices; utilities and insurance on the bus garage; and costs of our transportation contracts. To comply with CDC and St. Lawrence DOH requirements for face masks and social distancing on the buses and in the buildings, the District converted to a single-trip route due to COVID-19. Families chose whether their student(s) were going to attend in-person instruction or receive remote instruction. The routes were then created with some students attending Monday and Tuesday and others students attending Thursday and Friday. This resulted in a reduction in our transportation costs for the year ended June 30, 2021.

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.

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, 2021
(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.

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Total Governmental Funds</u>
ASSETS	
Unrestricted Cash	\$ 7,991,079
Restricted Cash	8,699,419
Due from Fiduciary Funds	-
Due from Other Governments	1,176,651
Due from State and Federal	2,019,078
Other Receivables	240,424
Prepaid Expenditures	19,654
Inventories	43,069
Capital Assets, Net	45,922,090
Net Pension Asset-Proportionate Share	-
Total Assets	<u>66,111,464</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	7,906,597
Other Post Employment Benefits Related	23,162,737
Total Deferred Outflows of Resources	<u>31,069,334</u>
LIABILITIES	
Accounts Payable	307,217
Accrued Liabilities	22,416
Retainage	-
Due to Fiduciary Funds	-
Due to Other Governments	97
Due to Teachers' Retirement System	1,032,486
Due to Employees' Retirement System	148,747
Bond Anticipation Notes Payable	-
Other Liabilities	2,515,122
Long-term Liabilities	
Due and Payable Within One Year	
Bonds Payable and Other Debt	2,675,000
Due and Payable After One Year	
Compensated Absences Payable	78,354
Bonds Payable and Other Debt	20,490,000
Other Postemployment Benefits	117,321,374
Net Pension Liability - Proportionate Share	1,633,952
Total Liabilities	<u>146,224,765</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related	4,055,440
Other Post Employment Benefits Related	8,514,816
Total Deferred Inflows of Resources	<u>12,570,256</u>
NET POSITION	
Net Investment in Capital Assets	20,366,453
Restricted	9,988,537
Unrestricted	(91,969,213)
Total Net Position	<u>\$ (61,614,223)</u>

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, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS				
General Support	\$ 9,198,644	\$ -	\$ -	\$ (9,198,644)
Instruction	28,274,885	205,101	1,761,708	(26,308,076)
Pupil Transportation	1,913,967	-	-	(1,913,967)
Community Services	-	-	-	-
Debt Service Expense	788,236	-	-	(788,236)
School Lunch Program	1,016,008	13,503	1,507,465	504,960
	\$ 41,191,740	\$ 218,604	\$ 3,269,173	(37,703,963)
GENERAL REVENUES				
Real Property Taxes				5,540,583
Other Tax Items				986,733
Interest Income				14,793
Use of Money and Property				6,733
Sale of Property & Compensation for Loss				(19,375)
Miscellaneous				917,506
State Sources				29,104,789
Federal Sources				730,488
				37,282,250
Changes in Net Position				(421,713)
Net Position - Beginning of Year				(61,192,510)
Net Position - End of year				\$(61,614,223)

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Food Service	Debt Service	Capital	Non-Major Governmental	
ASSETS							
Unrestricted Cash	\$ 5,349,917	\$ 29,389	\$ 931,045	\$ 1,120,463	\$ 555,265	\$ 5,000	\$ 7,991,079
Restricted Cash	8,681,476	-	-	-	-	17,943	8,699,419
Due from Other Funds	1,345,926	-	-	120	-	-	1,346,046
Due from Fiduciary Funds	-	-	-	-	-	-	-
Due from Other Governments	1,176,651	-	-	-	-	-	1,176,651
Due from State and Federal	1,116,774	644,802	257,502	-	-	-	2,019,078
Other Receivables	183,217	57,207	-	-	-	-	240,424
Prepaid Expenditures	19,654	-	-	-	-	-	19,654
Inventories	-	-	43,069	-	-	-	43,069
Total Assets	<u>17,873,615</u>	<u>731,398</u>	<u>1,231,616</u>	<u>1,120,583</u>	<u>555,265</u>	<u>22,943</u>	<u>21,535,420</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	287,308	19,705	204	-	-	-	307,217
Accrued Liabilities	22,416	-	-	-	-	-	22,416
Due to Other Funds	-	708,512	180,875	-	456,659	-	1,346,046
Due to Fiduciary Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	97	-	-	-	97
Due to Teachers' Retirement System	1,032,486	-	-	-	-	-	1,032,486
Due to Employees' Retirement System	148,747	-	-	-	-	-	148,747
Bond Anticipation Notes Payable	-	-	-	-	-	-	-
Other Liabilities	71,459	3,181	4,232	-	-	-	78,872
Total Liabilities	<u>1,562,416</u>	<u>731,398</u>	<u>185,408</u>	<u>-</u>	<u>456,659</u>	<u>-</u>	<u>2,935,881</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Non-spendable	19,654	-	43,069	-	-	-	62,723
Restricted	8,681,476	2,332	67,341	1,115,839	98,606	22,943	9,988,537
Committed	-	-	-	-	-	-	-
Assigned	3,528,669	-	935,798	4,744	-	-	4,469,211
Unassigned	4,081,400	(2,332)	-	-	-	-	4,079,068
Total Fund Balance	<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>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 17,873,615</u>	<u>\$ 731,398</u>	<u>\$ 1,231,616</u>	<u>\$ 1,120,583</u>	<u>\$ 555,265</u>	<u>\$ 22,943</u>	<u>\$ 21,535,420</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, 2021

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted Cash	\$ 7,991,079	\$ -	\$ -	\$ 7,991,079
Restricted Cash	8,699,419	-	-	8,699,419
Due from Other Funds	1,346,046	-	(1,346,046)	-
Due from Fiduciary Funds	-	-	-	-
Due from Other Governments	1,176,651	-	-	1,176,651
Due from State and Federal	2,019,078	-	-	2,019,078
Other Receivables	240,424	-	-	240,424
Prepaid Expenditures	19,654	-	-	19,654
Inventories	43,069	-	-	43,069
Assets Held for Sale	-	-	-	-
Capital Assets, Net	-	45,922,090	-	45,922,090
Net Pension Asset-Proportionate Share	-	-	-	-
Total Assets	21,535,420	45,922,090	(1,346,046)	66,111,464
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	-	7,906,597	-	7,906,597
Other Post Employment Benefits Related	-	23,162,737	-	23,162,737
Total Deferred Outflows of Resources	-	31,069,334	-	31,069,334
LIABILITIES				
Accounts Payable	307,217	-	-	307,217
Accrued Liabilities	22,416	-	-	22,416
Retainage	-	-	-	-
Due to Other Funds	1,346,046	-	(1,346,046)	-
Due to Fiduciary Funds	-	-	-	-
Due to Other Governments	97	-	-	97
Due to Teachers' Retirement System	1,032,486	-	-	1,032,486
Due to Employees' Retirement System	148,747	-	-	148,747
Bond Anticipation Notes Payable	-	-	-	-
Other Liabilities	78,872	2,436,250	-	2,515,122
Bonds Payable Due Within One Year	-	2,675,000	-	2,675,000
Compensated Absences Payable Due After One Year	-	78,354	-	78,354
Bonds Payable Due After One Year	-	20,490,000	-	20,490,000
Other Postemployment Benefits	-	117,321,374	-	117,321,374
Net Pension Liability - Proportionate Share	-	1,633,952	-	1,633,952
Total Liabilities	2,935,881	144,634,930	(1,346,046)	146,224,765
DEFERRED INFLOWS OF RESOURCES				
Pension Related	-	4,055,440	-	4,055,440
Other Post Employment Benefits Related	-	8,514,816	-	8,514,816
Total Deferred Inflows of Resources	-	12,570,256	-	12,570,256
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	18,599,539	(80,213,762)	-	(61,614,223)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	\$ 21,535,420	\$ 76,991,424	\$ (1,346,046)	\$ 97,180,798

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

GOVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Food Service	Debt Service	Capital	Non-Major Governmental	
REVENUES							
Real Property Taxes	\$ 5,540,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,540,583
Other Tax Items	986,733	-	-	-	-	-	986,733
Charges for Services	205,101	-	-	-	-	-	205,101
Use of Money and Property	16,014	-	309	4,744	-	459	21,526
Sale of Property and Compensation for Loss	10,516	-	-	-	-	-	10,516
Miscellaneous	575,243	332,255	10,008	-	-	-	917,506
State Sources	28,342,717	369,365	48,175	-	762,072	-	29,522,329
Federal Sources	730,488	1,392,343	1,382,004	-	-	-	3,504,835
Surplus Food	-	-	77,286	-	-	-	77,286
Sales	-	-	13,503	-	-	-	13,503
Total Revenues	<u>36,407,395</u>	<u>2,093,963</u>	<u>1,531,285</u>	<u>4,744</u>	<u>762,072</u>	<u>459</u>	<u>40,799,918</u>
EXPENDITURES							
General Support	5,052,182	-	-	-	-	-	5,052,182
Instruction	14,581,822	1,823,170	-	-	-	-	16,404,992
Pupil Transportation	1,914,006	-	-	-	-	-	1,914,006
Community Services	-	-	-	-	-	-	-
Employee Benefits	8,150,952	314,255	105,763	-	-	-	8,570,970
Debt Service	4,025,131	-	-	-	-	-	4,025,131
Cost of Sales	-	-	791,994	-	-	-	791,994
Capital Outlay	-	-	-	-	1,146,161	-	1,146,161
Total Expenditures	<u>33,724,093</u>	<u>2,137,425</u>	<u>897,757</u>	<u>-</u>	<u>1,146,161</u>	<u>-</u>	<u>37,905,436</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,683,302</u>	<u>(43,462)</u>	<u>633,528</u>	<u>4,744</u>	<u>(384,089)</u>	<u>459</u>	<u>2,894,482</u>
OTHER FINANCING SOURCES AND USES							
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Operating Transfers In	-	43,462	44	-	-	-	43,506
Operating Transfers (Out)	(43,506)	-	-	-	-	-	(43,506)
Total Other Sources (Uses)	<u>(43,506)</u>	<u>43,462</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)	<u>2,639,796</u>	<u>-</u>	<u>633,572</u>	<u>4,744</u>	<u>(384,089)</u>	<u>459</u>	<u>2,894,482</u>
Fund Balance, Beginning of Year	<u>13,671,403</u>	<u>-</u>	<u>412,636</u>	<u>1,115,839</u>	<u>482,695</u>	<u>22,484</u>	<u>15,705,057</u>
Fund Balance, End of Year	<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>

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

GOVERNEUR 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, 2021

	Total Governmental Funds	Capital Related Items	Long-term Revenue, Expenses	Long-term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
REVENUES						
Real Property Taxes	\$ 5,540,583	\$ -	\$ -	\$ -	\$ -	\$ 5,540,583
Other Tax Items	986,733	-	-	-	-	986,733
Charges for Services	205,101	-	-	-	-	205,101
Use of Money and Property	21,526	-	-	-	-	21,526
Sale of Property and Compensation for Loss	10,516	(29,891)	-	-	-	(19,375)
Miscellaneous	917,506	-	-	-	-	917,506
State Sources	29,522,329	-	-	-	-	29,522,329
Federal Sources	3,504,835	-	-	-	-	3,504,835
Surplus Food	77,286	-	-	-	-	77,286
Sales	13,503	-	-	-	-	13,503
Total Revenues and Special Items	<u>40,799,918</u>	<u>(29,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,770,027</u>
EXPENDITURES						
General Support	5,052,182	586,242	-	-	3,560,220	9,198,644
Instruction	16,404,992	1,041,781	-	-	10,828,112	28,274,885
Pupil Transportation	1,914,006	(57,929)	-	-	57,890	1,913,967
Community Services	-	-	-	-	-	-
Employee Benefits	8,570,970	-	6,081,877	-	(14,652,847)	-
Debt Service	4,025,131	-	-	(3,236,895)	-	788,236
Cost of Sales	791,994	17,389	-	-	206,625	1,016,008
Capital Outlay	1,146,161	(1,146,161)	-	-	-	-
Total Expenditures	<u>37,905,436</u>	<u>441,322</u>	<u>6,081,877</u>	<u>(3,236,895)</u>	<u>-</u>	<u>41,191,740</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,894,482</u>	<u>(471,213)</u>	<u>(6,081,877)</u>	<u>3,236,895</u>	<u>-</u>	<u>(421,713)</u>
OTHER FINANCING SOURCES AND USES						
Proceeds (Uses) from Debt	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change for the Year	<u>\$ 2,894,482</u>	<u>\$ (471,213)</u>	<u>\$ (6,081,877)</u>	<u>\$ 3,236,895</u>	<u>\$ -</u>	<u>\$ (421,713)</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, 2021
(CONTINUED)**

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

Net Change in Fund Balances - Total Governmental Funds \$ 2,894,482

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	1,133,700
Depreciation Expense	(2,205,492)
Additions to Vehicles and Equipment	665,470

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. (64,891)

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. 2,740,000

Proceeds of long-term debt is recorded as an other financing source for governmental funds, but it is not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year. -

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. 468,474

(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. 28,421

(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. 20,616

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. (4,827,259)

(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	(1,470,505)
Employees' Retirement System	195,271

Change in net position of governmental activities \$ (421,713)

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

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

	<u>Custodial Fund</u>
ASSETS	
Cash	<u>\$ 63,428</u>
Total Assets	<u><u>\$ 63,428</u></u>
NET POSITION	
Unrestricted	<u>63,428</u>
Total Net Position	<u>63,428</u>
Total Net Position	<u><u>\$ 63,428</u></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, 2021**

	<u>Custodial Fund</u>
ADDITIONS	
Extraclassroom Receipts	<u>\$ 65,701</u>
Total Additions	<u>65,701</u>
DEDUCTIONS	
Extraclassroom Disbursements	<u>70,874</u>
Total Deductions	<u>70,874</u>
Change in Net Position	(5,173)
Net Position - Beginning of Year, as Previously Stated	-
Restatement - Change in Accounting	<u>68,601</u>
Net Position - End of Year	<u><u>\$ 63,428</u></u>

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

**GOVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

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 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, 2021**

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 \$5,769,604 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,865,157. 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 program 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, 2021**

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 fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. 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, 2021

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. The School District reports the following Fiduciary Funds:
 - **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.

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 capital leases are reported as other financing sources.

CASH AND INVESTMENTS

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

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

GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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.

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

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

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 7 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures and revenues activity.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from 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.

CAPITAL ASSETS

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 1980. For assets acquired prior to June 30, 1980, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
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

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 proportion 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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (continued)

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.

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.

UNEARNED REVENUES

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

VESTED EMPLOYEE BENEFITS

Compensated Absences

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

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.

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.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting 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.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

VESTED EMPLOYEE BENEFITS (continued)

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.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 9 for additional information.

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.

SHORT TERM DEBT

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

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

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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.

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.

EQUITY CLASSIFICATIONS

District-wide Statements

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

- **Net investment in capital assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, 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, 2021**

**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:

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>School Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Capital Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
Non-spendable:							
Inventory	\$ -	\$ -	\$ 43,069	\$ -	\$ -	\$ -	\$ 43,069
Deposit	19,654	-	-	-	-	-	19,654
Restricted:							
Debt Service Reserve	96,019	-	-	1,115,839	-	-	1,211,858
Employee Benefits Accrued Liability	133,060	-	-	-	-	-	133,060
Liability Claims	440,898	-	-	-	-	-	440,898
Retirement Contribution	2,500,000	-	-	-	-	-	2,500,000
Reserve for Teacher's Retirement	590,413	-	-	-	-	-	590,413
Tax Certiorari	290,715	-	-	-	-	-	290,715
Unemployment Insurance	175,000	-	-	-	-	-	175,000
Workers' Compensation	625,000	-	-	-	-	-	625,000
Capital Reserve	3,830,371	-	-	-	-	-	3,830,371
Reserve for Capital Outlay	-	-	-	-	98,606	-	98,606
Scholarship	-	-	-	-	-	22,943	22,943
Encumbrances (Other than General Fund)	-	2,332	67,341	-	-	-	69,673
Assigned:							
Central Administration	1,238	-	-	-	-	-	1,238
Finance	1,715	-	-	-	-	-	1,715
Central Services	16,350	-	-	-	-	-	16,350
Instruction, Admin & Improvement	837	-	-	-	-	-	837
Teaching-Regular School	59,022	-	-	-	-	-	59,022
Programs for Students with Disabilities	172,971	-	-	-	-	-	172,971
Instructional Media	5,613	-	-	-	-	-	5,613
Pupil Services	7,465	-	-	-	-	-	7,465
Pupil Transportation	2,884	-	-	-	-	-	2,884
Appropriated Fund Balance	3,260,574	-	935,798	4,744	-	-	4,201,116
Unassigned:	4,081,400	(2,332)	-	-	-	-	4,079,068
	<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>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**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 School District has established the following restricted fund balances:

Capital Reserve Fund

According to Education Law §3651, 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.

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.

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.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

Insurance Reserve Fund

According to General Municipal Law §6-n, the Insurance Reserve 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, 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.

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, 2021**

**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, 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, 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.

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.

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, 2021

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

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 not committed fund balances as of June 30, 2021.

Assigned – Includes amounts that are constrained by the school 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. 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 \$268,095 were classified as General Support \$19,303, Instruction \$245,908 and Pupil Transportation \$2,884.

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

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 funds a school district can retain to no more than 4% of the School District’s budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The portion of the District’s fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District’s budget for the upcoming school Year. Actions the District plans to pursue to address this issue include the development of a multi-year financial plan to estimate future fund balance over time and one-time expenditures to reduce fund balance.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**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.

BUDGETARY PROCEDURES AND BUDGETARY ACCOUNTING

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. 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 \$5,267 for GTA mini-grant. There were no budget reductions for the year ending June 30, 2021.

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

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.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

NEW ACCOUNTING STANDARDS

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.

GASB has issued Statement No. 84, *Fiduciary Activities* effective for the year ending June 30, 2021. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.

GASB has issued Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interest* effective for the year ending June 30, 2021. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

FUTURE ACCOUNTING STANDARDS

The Government Accounting Standards Board (GASB) issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was intended to provide relief to governments in light of the COVID-19 pandemic. The following Standards effective dates have been revised according:

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

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

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2022.

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 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).

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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 Statement of Activities, 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 additional 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.

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.

Original cost of capital assets		\$ 69,956,491
Accumulated depreciation		<u>(24,034,401)</u>
Net Capital Assets		<u>\$ 45,922,090</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		(45,613)
Unamortized Bond Premium		<u>(2,390,637)</u>
		<u>\$ (2,436,250)</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

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	\$ (23,165,000)
Compensated Absences	(78,354)
Other Post-employment Benefits	<u>(117,321,374)</u>
	<u>\$ (140,564,728)</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	\$ -
Pension Liability	<u>(1,633,952)</u>
	<u>\$ (1,633,952)</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	\$ 31,069,334
Deferred Inflows of Resources	<u>(12,570,256)</u>
	<u>\$ 18,499,078</u>

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 three broad categories. The amounts shown on the following page 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.

**GOVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**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)**

Capital Related Differences

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

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.

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	\$ 40,799,918
Reconciling items:	
Less net loss from disposal of equipment	(29,891)
Less bond premium in debt service fund	-
Total revenues from governmental activities - Statement of Activities	\$ 40,770,027

Total expenditures and other financing:

Total expenditures reported in governmental funds	\$ 37,905,436
Reconciling items:	
Add depreciation expense	2,205,492
Less change in interest accrual & bond premium amortized	(496,895)
Less change in compensated absences	(20,616)
Add change in other postemployment benefits	4,827,259
Less capital expenditures (capitalized in government-wide statement)	(1,764,170)
Add changes in retirement benefits	1,275,234
Less payment on long-term debt	(2,740,000)
Total expenses of governmental activities - Statement of Activities	\$ 41,191,740

GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - CASH AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes. Deposits are valued at cost, or cost plus interest, and are categorized as either:

- 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.	\$	10,300,745
B.	\$	7,391,633
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 \$8,681,476 restricted for various fund balance reserves in the general fund and \$17,943 restricted for use in the miscellaneous revenue fund within the governmental funds and \$63,428 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.

Interest Rate Risk

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

Credit Risk

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

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

**GOVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 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:				
Land	\$ 299,027	\$ -	\$ -	\$ 299,027
Construction in Progress	<u>6,860,192</u>	<u>852,896</u>	<u>(6,494,477)</u>	<u>1,218,611</u>
Total cost non-depreciable assets	<u>7,159,219</u>	<u>852,896</u>	<u>(6,494,477)</u>	<u>1,517,638</u>
Capital assets that are depreciated:				
Buildings	54,590,122	6,515,535	-	61,105,657
Furniture and Equipment	2,521,379	59,290	(11,323)	2,569,346
Vehicles	<u>4,958,307</u>	<u>585,123</u>	<u>(779,580)</u>	<u>4,763,850</u>
Total cost depreciable assets	<u>62,069,808</u>	<u>7,159,948</u>	<u>(790,903)</u>	<u>68,438,853</u>
Less accumulated depreciation:				
Buildings	(17,410,820)	(1,657,278)	-	(19,068,098)
Furniture and Equipment	(2,092,374)	(57,865)	11,323	(2,138,916)
Vehicles	<u>(3,051,725)</u>	<u>(490,349)</u>	<u>714,687</u>	<u>(2,827,387)</u>
Total accumulated depreciation	<u>(22,554,919)</u>	<u>(2,205,492)</u>	<u>726,010</u>	<u>(24,034,401)</u>
Net capital assets	<u>\$46,674,108</u>	<u>\$ 5,807,352</u>	<u>\$ (6,559,370)</u>	<u>\$45,922,090</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support	\$ 573,781			
Instruction	1,122,128			
Pupil Transportation	492,194			
School Lunch	<u>17,389</u>			
	<u>\$ 2,205,492</u>			

NOTE 5 - 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.

GOVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - SHORT-TERM DEBT (continued)

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 6 - 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	\$ 3,535,000	\$ -	\$ (810,000)	\$ 2,725,000	\$ 825,000
2018 Serial Bonds, final maturity 6/1/33, at 5.00%, per year to maturity	17,060,000	-	(1,095,000)	15,965,000	1,135,000
2020 Serial Bonds, final maturity 6/15/35, at 5.00%, per year to maturity	<u>5,310,000</u>	<u>-</u>	<u>(835,000)</u>	<u>4,475,000</u>	<u>715,000</u>
Total Bonds Payable	25,905,000	-	(2,740,000)	23,165,000	2,675,000
Other Liabilities:					
Compensated Absences	98,970	78,328	(98,945)	78,353	-
Other Postemployment benefits	94,644,650	25,232,035	(2,555,311)	117,321,374	-
Net Pension Liabilities:					
TRS	-	1,623,103	-	1,623,103	-
ERS	<u>2,860,181</u>	<u>-</u>	<u>(2,849,332)</u>	<u>10,849</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$123,508,801</u>	<u>\$ 26,933,466</u>	<u>\$(8,243,588)</u>	<u>\$142,198,679</u>	<u>\$2,675,000</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2022	\$ 2,675,000	\$ 1,094,719	\$ 3,769,719
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
2027-2031	8,980,000	2,300,000	11,280,000
2032-2036	<u>3,665,000</u>	<u>298,249</u>	<u>3,963,249</u>
	<u>\$ 23,165,000</u>	<u>\$ 7,071,081</u>	<u>\$ 30,236,081</u>

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

Interest paid	\$1,285,131
Less interest accrued in the prior year	(74,034)
Less bond premium recognized	(468,474)
Plus interest accrued in the current year	<u>45,613</u>
Total Expense	<u>\$ 788,236</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 - INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 1,345,926	\$ -	\$ -	\$ 43,506
Special Aid Funds	-	708,512	43,462	-
School Lunch Funds	-	180,875	44	-
Debt Service Funds	120	-	-	-
Capital Funds	-	456,659	-	-
Total governmental activities	1,346,046	1,346,046	43,506	43,506
Fiduciary Agency Fund	-	-	-	-
Totals	<u>\$ 1,346,046</u>	<u>\$ 1,346,046</u>	<u>\$ 43,506</u>	<u>\$ 43,506</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 8 - PENSION PLANS

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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - 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 (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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 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>
2020-2021	\$ 883,000	\$ 490,000
2019-2020	\$ 1,053,000	\$ 469,000
2018-2019	\$ 941,000	\$ 459,000

Since 1989, The TRS' billings have been based on the Chapter 62 of the Laws of 1989 and the State of New York. This legislation requires participating employers to make payments on a current basis.

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

Over the years, State Legislature authorized local governments to make available retirement incentive programs to qualifying employees. The District had no expenditures incurred or liability accrued related to the retirement incentive liabilities as of and for the year ended June 30, 2021.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - PENSION PLANS (continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	31-Mar-21	30-Jun-20
Net pension asset/(liability)	\$ (10,849)	\$(1,623,103)
District's portion of the Plan's total net pension asset/(liability)	0.0108956%	0.058739%
Change in proportion since the prior Measurement date	0.0000946%	(0.000658)%

For the year ended June 30, 2021, the District recognized pension expense of \$311,093 for ERS and the actuarial value of \$2,184,761 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 132,498	\$ 1,422,163	\$ -	\$ 83,181
Changes of assumptions	\$ 1,994,815	\$ 2,052,848	\$ 37,623	\$ 731,733
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,060,029	\$ 3,116,524	\$ -
Changes in proportion and differences between the District's contributions and proportionate share of contributions	\$ 133,898	\$ 78,276	\$ 9,898	\$ 76,481
District's contributions subsequent to the measurement date	<u>\$ 148,747</u>	<u>\$ 883,323</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 2,409,958	\$ 5,496,639	\$ 3,164,045	\$ 891,395

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - PENSION PLANS (continued)

PENSION 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 liability in the year ended June 30, 2022. 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:

	ERS	TRS
Fiscal year ended June 30,		
2022	\$ (135,009)	\$ 631,782
2023	(33,906)	1,275,869
2024	(144,133)	1,047,384
2025	(589,786)	656,331
2026	-	29,931
Thereafter	-	80,624

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Investment Rate of Return	5.9%	7.10%
Salary Scale	4.4%, indexed by Service	1.90% - 4.72%
Projected COLAs	1.4%	1.3%
Decrement Tables	April 1, 2015-March 31, 2020 System's Experience	July 1, 2009-June 30, 2014 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-2019. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - PENSION PLANS (continued)

PENSION 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, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS	
	March 31, 2021	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	32%	4.05%
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Asset	3	5.95
Fixed Assets	23	0.00
Cash	1	0.50
	100%	

*Real rates of return are net of a long-term inflation assumption of 2.0%.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - PENSION PLANS (continued)

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

	<u>TRS</u>	
Measurement Date	June 30, 2020	
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	33%	7.1%
International Equity	16	7.7
Global Equity	4	7.4
Real Estate Equity	11	6.8
Private Equity	8	10.4
Domestic Fixed Income	16	1.8
Global Bonds	2	1.0
High-Yield Bonds	1	3.9
Private Debt	1	5.2
Real Estate Debt	7	3.6
Cash Equivalents	<u>1</u>	0.7
Total	<u>100%</u>	

*Real rates of return are net of a long-term inflation assumption of 2.2% for 2020.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - PENSION PLANS (continued)

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the 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 (4.9% for ERS and 6.1% for TRS) or 1-percentage-point higher (6.9% for ERS and 8.1% for TRS) than the current rate :

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
ERS			
Employer's proportionate share of the net pension (liability) asset	\$(3,011,313)	\$ (10,849)	\$ 2,756,281
TRS			
Employer's proportionate share of the net pension (liability) asset	\$(10,252,583)	\$(1,623,103)	\$ 5,619,217

PENSION PLAN FIDUCIARY NET POSITION

The components of the collective net pension liability of ERS as of March 31, 2021 measurement date were as follows:

Total pension liability	\$ 220,680,157,000
ERS fiduciary net position	<u>(220,580,583,000)</u>
Employers' net pension liability	<u>\$ 99,574,000</u>
ERS fiduciary net position as a Percentage of total pension liability	<u>99.95%</u>

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 - PENSION PLANS (continued)

PENSION PLAN FIDUCIARY NET POSITION (continued)

The components of the collective net pension liability of TRS as of June 30, 2020 measurement date were as follows:

Total pension liability	\$ 123,242,776,215
TRS fiduciary net position	<u>(120,479,505,380)</u>
Employers' net pension liability (asset)	<u>\$ 2,763,270,835</u>
TRS fiduciary net position as a Percentage of total pension liability	<u>97.76%</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, 2021	June 30, 2020	
Employers' total pension liability	\$ 24,044,427	\$ 72,391,560	\$ 96,435,987
Plan Net Position	<u>(24,033,578)</u>	<u>(70,768,457)</u>	<u>(94,802,035)</u>
Employers' net pension (asset)/liability	\$ 10,849	\$ 1,623,103	\$ 1,633,952
Ratio of plan net position to the Employers' total net pension asset/(liability)	99.95%	97.76%	98.31%

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 period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2021 is \$311,093 for ERS and \$2,184,761 for TRS.

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contributions for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$148,747.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$1,032,486.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The District provides post-employment coverage (health insurance, life insurance, etc.) to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the District's contractual agreements. The specifics of each contract are on file at the District offices and are available upon request. The plan is a single employer, defined benefit plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided

The District provides healthcare for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under and required age and service terms. The specifics of each contract are on file at the District's offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms.

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)

Total OPEB Liability

The District's total OPEB liability of \$117,321,374 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2020.

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

Discount Rate	2.21%
Salary Scale	3.00%
Rate of Inflation	2.40%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	7.50% for 2020, decreasing to an ultimate rate of 4.13% for 2089 and later years

The long-term bond 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.

Rates of turnover and retirement rates are based on the experience under the New York State Employees' Retirement System (ERS) and the New York state Teachers' Retirement System (TRS) as prepared by the Department of Civil Service's actuarial consultant in the report titled Development of Recommended Actuarial Assumptions for New York State/SUNY GASB Valuation (December 2019)

Election percentage: It was assumed that 100% of future retirees eligible for coverage will elect retiree group benefits, 60% of retiree's spouse, and 0% of surviving spouse will elect to participate.

The annual rate of increase in healthcare costs developed based on a review of published National trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Run Medical Cost Trend Model (v2019 b) (the Getzen model).

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

CHANGES IN THE TOTAL OPEB LIABILITY FOR THE PERIOD ENDING JUNE 30, 2021

	Total OPEB Liability
Balance at Beginning of Year	\$ 94,644,650
Changes for the year:	
Service cost	3,116,016
Interest cost	3,376,906
Changes of benefit terms	-
Differences between expected and actual experience	(1,367,553)
Changes in assumptions or other inputs	20,106,666
Benefit payments	(2,555,311)
Net change in Total OPEB Liability	22,676,724
Balance at End of Year	\$ 117,321,374

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

Sensitivity of the total OPEB liability to changes in the discount rate- The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$140,686,611	\$117,321,374	\$98,909,122

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$96,781,914	\$117,321,374	\$144,536,211

**GOVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 - 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, 2021, the District recognized OPEB expense of \$7,454,145.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,969,907
Changes in assumptions or other inputs	20,535,851	4,544,909
Contributions subsequent to measurement date	<u>2,626,886</u>	<u>-</u>
Total	<u>\$ 23,162,737</u>	<u>\$ 8,514,816</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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

	<u>Amount</u>
Fiscal year ended June 30,	
2022	\$ 961,223
2023	961,223
2024	2,422,800
2025	2,971,437
2026	2,949,331
2027 and Thereafter	1,755,021

NOTE 10 - 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.

**GOVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 - 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 11 - 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 12 - 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 13 - 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 audits, 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 \$132,931.

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, 2021

NOTE 14 -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, 2021, the District’s property tax revenues were reduced by \$203,945. The District received payment in Lieu of Tax (PILOT) payments totaling \$13,621.

NOTE 15 - SUBSEQUENT EVENTS

The District has evaluated events and transactions that occurred between June 30, 2021 and September 25, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 16 - RESTATEMENT

During the year, the District adopted GASB Statement No. 84. The District’s beginning of the year fund balance for net position for the custodial funds has been restated to reflect the following:

Net Position - Balance at July 1, 2020	\$ -
GASB Statement No. 84 Implementation	<u>68,601</u>
Net Position – Beginning of Year, as Restated	<u>\$ 68,601</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, 2021**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 37,550,000
Add: Prior Year's Encumbrances	<u>325,589</u>
Original Budget	37,875,589
Add: Increases in Appropriations	<u>5,267</u>
Final Budget	<u><u>\$ 37,880,856</u></u>

Next year's budget is a voter-approved budget of: \$ 39,615,075

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 Voter-approved Expenditure Budget	
Maximum Allowed 4% of 2021-2022 Budget	\$ 39,615,075

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

Unrestricted Fund Balance:	
Committed Fund Balance	-
Assigned Fund Balance	3,528,669
Unassigned Fund Balance	<u>4,081,400</u>
Total Unrestricted Fund Balance	<u><u>\$ 7,610,069</u></u>

Less:	
Appropriated Fund Balance	3,260,574
Insurance Recovery Reserve	-
Tax Reduction Reserve	-
Encumbrances Included in Committed and Assigned Fund Balance	<u>268,095</u>
Total Adjustments	<u><u>\$ 3,528,669</u></u>

General Fund Fund Balance Subject to Section 1318	
Real Property Tax Law	<u><u>\$ 4,081,400</u></u>

Actual Percentage 10.30%

**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, 2021**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	\$ 6,496,152	\$ 6,496,152	\$ 5,540,583	\$ (955,569)
Other Tax Items	28,332	28,332	986,733	958,401
Charge for Services	21,250	21,250	205,101	183,851
Use of Money and Property	24,050	24,050	16,014	(8,036)
Sale of Property and Compensation for Loss	1,000	1,000	10,516	9,516
Miscellaneous	275,000	280,268	575,243	294,975
Interfund Revenues	-	-	-	-
Total Local Sources	<u>6,845,784</u>	<u>6,851,052</u>	<u>7,334,190</u>	<u>483,138</u>
State Sources	25,647,193	25,647,193	28,342,717	2,695,524
Federal Sources	847,550	847,550	730,488	(117,062)
Total Revenues	33,340,527	33,345,795	36,407,395	3,061,600
OTHER FINANCING SOURCES				
Transfers from Other Funds	-	-	-	-
Appropriated Fund Balance	4,209,473	4,535,061	-	(4,535,061)
Total Revenues and Other Financing Sources	<u>\$ 37,550,000</u>	<u>\$ 37,880,856</u>	<u>\$ 36,407,395</u>	<u>\$ (1,473,461)</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, 2021
(CONTINUED)**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	\$ 28,550	\$ 28,660	\$ 22,911	\$ -	\$ 5,749
Central Administration	237,384	249,701	244,797	1,238	3,666
Finance	411,431	441,283	402,446	1,715	37,122
Staff	421,014	422,164	382,700	-	39,464
Central Services	3,249,934	3,394,871	2,790,334	16,350	588,187
Special Items	1,229,519	1,214,519	1,208,994	-	5,525
Total General Support	<u>5,577,832</u>	<u>5,751,198</u>	<u>5,052,182</u>	<u>19,303</u>	<u>679,713</u>
Instruction:					
Instruction, Administration & Improvement	1,043,740	956,546	902,676	837	53,033
Teaching - Regular School	7,174,164	7,131,089	6,463,510	59,022	608,557
Programs for Students with Disabilities	4,390,771	4,580,225	3,935,422	172,971	471,832
Occupational Education	1,306,430	1,374,276	1,240,276	-	134,000
Teaching - Special Schools	22,740	17,570	5,385	-	12,185
Instructional Media	1,035,697	1,021,293	882,948	5,613	132,732
Pupil Services	1,432,532	1,435,225	1,151,605	7,465	276,155
Total Instruction	<u>16,406,074</u>	<u>16,516,224</u>	<u>14,581,822</u>	<u>245,908</u>	<u>1,688,494</u>
Pupil Transportation	3,014,594	3,030,529	1,914,006	2,884	1,113,639
Community Services	-	-	-	-	-
Employee Benefits	8,379,500	8,410,905	8,150,952	-	259,953
Debt Service	<u>4,090,000</u>	<u>4,090,000</u>	<u>4,025,131</u>	<u>-</u>	<u>64,869</u>
Total Expenditures	37,468,000	37,798,856	33,724,093	268,095	3,806,668
OTHER FINANCING USES					
Transfers To Other Funds	<u>82,000</u>	<u>82,000</u>	<u>43,506</u>	<u>-</u>	<u>38,494</u>
Total Expenditures and Other Uses	<u>\$ 37,550,000</u>	<u>\$ 37,880,856</u>	<u>\$ 33,767,599</u>	<u>\$ 268,095</u>	<u>\$ 3,845,162</u>
Excess Revenue and Other Sources over Expenditures and Other Uses			2,639,796		
Fund Balance - Beginning of Year			<u>13,671,403</u>		
Fund Balance - End of Year			<u>\$ 16,311,199</u>		

See paragraph on supplementary schedules included in auditors' report.

GOVERNEUR 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, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance with Budgetary Actual
REVENUES					
Use of Money and Property	\$ 4,000	\$ 4,000	\$ 309		\$ (3,691)
Sale of Property and Compensation for Loss	-	-	-		-
Miscellaneous	-	-	10,008		10,008
State and Federal Sources	714,465	864,465	1,430,179		565,714
Surplus Food	25,000	50,000	77,286		27,286
Sales	66,000	66,000	13,503		(52,497)
Total Revenues	809,465	984,465	1,531,285		546,820
OTHER FINANCING SOURCES					
Transfers from Other Funds	-	-	44		44
Appropriated Fund Balance	106,070	461,992	-		(461,992)
Total Revenues and Other Financing Sources	915,535	1,446,457	1,531,329		84,872
EXPENDITURES					
Employee Benefits	140,354	140,354	105,763	-	34,591
Cost of Sales	765,277	942,851	791,994	67,342	83,515
Total Expenditures	\$ 905,631	\$ 1,083,205	897,757	\$ 67,342	\$ 118,106
Revenue and Other Sources over Expenditures and Other Uses			633,572		
Fund Balance - Beginning of Year			412,636		
Fund Balance - End of Year			\$ 1,046,208		

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, 2021**

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended Balance	Proceeds of Obligations	Excel	Local Sources	Total	Fund Balance June 30, 2021
			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	7,569,684	5,848,617	1,165,922	7,014,539	555,145	6,774,145	-	795,539	7,569,684	555,145
Total 2015 Project	31,450,000	32,481,089	30,760,022	1,165,922	31,925,944	555,145	29,659,145	815,855	2,006,089	32,481,089	555,145
SBBA #7999-01	1,728,500	1,728,500	1,238,372	(19,761)	1,218,611	509,889	-	762,072	-	762,072	(456,539)
Total	\$ 33,178,500	\$ 34,209,589	\$ 31,998,394	\$ 1,146,161	\$ 33,144,555	\$ 1,065,034	\$ 29,659,145	\$ 1,577,927	\$ 2,006,089	\$ 33,243,161	\$ 98,606

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, 2021**

	Miscellaneous Special Revenue	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
ASSETS			
Unrestricted Cash	\$ -	\$ 5,000	\$ 5,000
Restricted Cash	17,943	-	17,943
Due from Other Funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 17,943</u>	<u>\$ 5,000</u>	<u>\$ 22,943</u>
 LIABILITIES AND FUND BALANCE			
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	17,943	-	17,943
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>17,943</u>	<u>5,000</u>	<u>22,943</u>
Total Liabilities and Fund Balance	<u>\$ 17,943</u>	<u>\$ 5,000</u>	<u>\$ 22,943</u>

See paragraph on supplementary schedules included in auditors' report.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY SCHEDULE OF
COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Miscellaneous Special Revenue	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
REVENUES			
Use of Money and Property	\$ 459	\$ -	\$ 459
Miscellaneous	-	-	-
Total Revenues	<u>459</u>	<u>-</u>	<u>459</u>
EXPENDITURES			
Other Expenses	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) Revenues Over Expenditures	<u>459</u>	<u>-</u>	<u>459</u>
OTHER FINANCING SOURCES AND (USES)			
Proceeds From Debt	-	-	-
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)	<u>459</u>	<u>-</u>	<u>459</u>
Fund Balance, Beginning of Year	<u>17,484</u>	<u>5,000</u>	<u>22,484</u>
Fund Balance, End of Year	<u>\$ 17,943</u>	<u>\$ 5,000</u>	<u>\$ 22,943</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, 2021**

Capital Assets, Net		\$ 45,922,090
Deduct:		
Unamortized Bond Premium	2,390,637	
Short-term Portion of Bonds Payable	2,675,000	
Long-Term Portion of Bonds Payable	<u>20,490,000</u>	
		25,555,637
Net Investment in Capital Assets		<u><u>\$ 20,366,453</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	2021 July 1, 2020	2020 July 1, 2019	2019 July 1, 2018	2018 July 1, 2017
Total OPEB Liability				
Service cost	\$ 3,116,016	\$ 3,202,508	\$ 2,446,125	\$ 3,200,562
Interest	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	20,106,666	1,093,847	4,867,370	(12,553,557)
Benefit payments	<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	22,676,724	5,394,139	3,163,145	(8,640,791)
Total OPEB liability - beginning	<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>\$ 117,321,374</u>	<u>\$ 94,644,650</u>	<u>\$ 89,250,511</u>	<u>\$ 86,087,366</u>
Covered payroll	<u>\$ 13,119,033</u>	<u>\$ 13,119,033</u>	<u>\$ 12,748,923</u>	<u>\$ 12,617,984</u>
Total OPEB liability as a percentage of covered payroll	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 2.21%.

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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.058739%	0.059397%	0.058923%	0.060044%	0.059490%	0.059280%	0.056963%
District's proportionate share of the net pension liability (asset)	\$ 1,623,103	\$ (1,543,132)	\$ (1,065,483)	\$ (456,390)	\$ 637,166	\$ (6,157,268)	\$ (6,345,324)
District's covered-employee payroll	\$ 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	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	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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0108956%	0.0108010%	0.0102847%	0.0107385%	0.9842500%	0.0103902%	0.01000870%
District's proportionate share of the net pension liability (asset)	\$ 10,849	\$ 2,860,181	\$ 728,706	\$ 346,581	\$ 924,820	\$ 1,667,651	\$ 338,117
District's covered-employee payroll	\$ 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	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	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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 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	<u>883,323</u>	<u>1,052,898</u>	<u>940,593</u>	<u>1,115,149</u>	<u>1,217,262</u>	<u>1,560,978</u>	<u>1,367,328</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 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	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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 490,349	\$ 468,815	\$ 458,653	\$ 460,968	\$ 450,991	\$ 560,416	\$ 483,396
Contributions in relation to the contractually required contribution	<u>490,349</u>	<u>468,815</u>	<u>458,653</u>	<u>460,968</u>	<u>450,991</u>	<u>560,416</u>	<u>483,396</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered employee payroll	\$ 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	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.

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

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures
<u>U.S. Department of Education</u>			
Passed Through New York State			
Department of Education:			
Title I Grants to Local Education Agencies	84.010	0021-20-2605	\$ 37,786
Title I Grants to Local Education Agencies	84.010	0021-21-2605	765,892
COVID-19 Educational Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act	84.425D	5890-21-2605	613,472
COVID-19 Educational Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act (GEER)	84.425C	5895-21-2605	117,016
Supporting Effective Instruction State Grants	84.367A	0147-20-2605	3,960
Supporting Effective Instruction State Grants	84.367A	0147-21-2605	70,276
Rural Education	84.358B	0006-21-2605	16,456
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-20-2605	6,492
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-21-2605	35,180
Subtotal			1,666,530
Special Education-Grants to States (IDEA, Part B)	84.027	0032-21-0790	443,125
Special Education-Preschool Grants (IDEA Preschool)	84.173	0033-21-0790	13,176
Total Special Education Cluster			456,301
Total - Passed through New York State Department of Education			2,122,831
Total - U.S. Department of Education			2,122,831
<u>U.S. Department of Agriculture</u>			
Passed Through NYS Office of General Services			
National School Lunch Program- surplus food	10.555	N/A	77,286
Total passed through NYS Office of General Services			77,286
Passed Through New York State			
Department of Education:			
National School Lunch Program (Snack)	10.555	511101060000	513
COVID-19 Summer Food Service Program for Children	10.559	511101060000	1,377,162
Total passed through New York State Department of Education			1,377,675
Total Child Nutrition Cluster			1,454,961
Total - U.S. Department of Agriculture			1,454,961
Total All Federal Programs			\$ 3,577,792

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

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

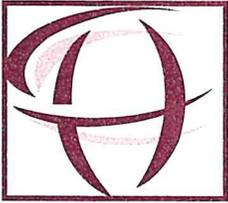
No amounts were provided to sub-recipients.

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 \$77,286 was given from the USDA in the form of surplus food.



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

Members of:
AICPA
NYSSCPA

Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

* Licensed in NY & PA

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, 2021, 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, 2021.

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 may exist that have not been 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)**

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

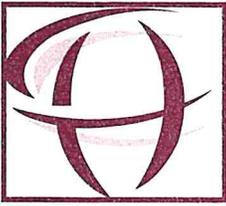
District's Response to Finding

Gouverneur Central School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Gouverneur Central School District's response was not subjected to the auditing procedures applied in the audit and of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, 2021



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

Members of:
AICPA
NYSSCPA

Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

* Licensed in NY & PA

**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

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Gouverneur Central School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gouverneur Central School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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, 2021.



**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

Management of the Gouverneur Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Gouverneur Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gouverneur Central School District's internal control over compliance.

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

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

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

Crowley & Halloran CPAs P.C.
Watertown, NY
September 25, 2021

**GOVERNEUR CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

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. One instance 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, 2021-001.

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>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
84.425D	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act
84.425C	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act

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, 2021
(CONTINUED)**

SECTION II - FINANCIAL STATEMENT FINDINGS

COMPLIANCE AND OTHER MATTERS

2021-001: Fund Balance: Real Property Tax Law

Condition and Criteria: The District's 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.

Cause: Fund balance was not monitored to ensure unassigned fund balance did not exceed the limit imposed by New York State Real Property Tax Law.

Effect: The unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit.

Recommendation: We recommend that the district adhere to the 4% rule when preparing upcoming school year's budget by continually monitoring its fund balance to determine projected fund balance excesses before determining tax increases for the following year. The District should continue to utilize all reserves allowed by law to decrease excess fund balance. Fund balance should be managed starting in January and updated monthly throughout the rest of the fiscal year in order to project the unassigned portion and comply with NYS Real Property Tax Law §1318.

Management's Response: The financial and economic condition of the school district could be affected by a variety of factors, some of which are beyond our control. The 2020-2021 budget was adopted with the uncertainty of a reduction in state aid revenue due to potential cuts of up to 20% or \$5.7 million. Not only did NYS not reduce state aid, the District received Federal Cares Act funding too. During the 2020-21 school year, the district provided in-person and remote instruction. We had approximately 50% of our students attending in-person instruction. At times during the fiscal year, the District converted to complete remote instruction due to an uptick in COVID-19 cases. The District's actual revenue was significantly larger than anticipated and the District's expenditures were less than anticipated. The results of operations was a surplus of approximately \$2.6 million.

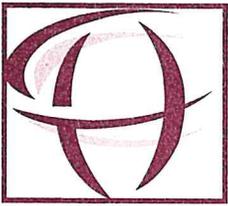
The adoption of the 2021-2022 budget reduced the unassigned fund balance by approximately \$625,000. The district did increase restricted reserves by \$2.8 million and has a plan to fund a capital reserve over the next several years.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021**

None Noted



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

Members of:
AICPA
NYSSCPA

Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

* Licensed in NY & PA

INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND

To the Board of Education
Gouverneur Central School District

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, 2021, the related Statements of Cash Receipts and Disbursements – Cash Basis, and the related note to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with a comprehensive basis of accounting other than generally accepted accounting principles in the United State of America as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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



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

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

Opinion

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, 2021, and its cash receipts and cash disbursements – cash basis for the year then ended on the basis of accounting described in Note 1.

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.

Crowley & Halloran CPAs P.C.
Watertown, NY
September 25, 2021

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2021**

ASSETS

Cash	<u>\$ 63,248</u>
Total Assets	<u><u>\$ 63,248</u></u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 63,428</u>
Total Liabilities and Fund Balance	<u><u>\$ 63,428</u></u>

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

**GOUVERNEUR CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND -
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	Cash Balances <u>June 30, 2020</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Balances <u>June 30, 2021</u>
Art Club	\$ 1,524	\$ -	\$ -	\$ 1,524
Band	240	-	-	240
CODA	544	426	543	427
Class of 2020	5,780	15,851	12,708	8,923
Class of 2021	12,923	7,412	19,084	1,251
Class of 2022	4,592	13,244	5,455	12,381
Class of 2023	369	1,770	-	2,139
Class of 2024	-	-	-	-
Deanonian	11,005	12,286	10,636	12,655
Drama-JH	1,612	-	-	1,612
Drama-SH	2,743	1,841	166	4,418
FFA	2,077	225	1,124	1,178
Interest	238	7	-	245
Key Club	1,204	-	-	1,204
Nat'l Jr. Honor Society	600	-	407	193
Nat'l Sr. Honor Society	872	10,067	9,476	1,463
Student Council - JH	8,391	356	5,203	3,544
Student Senate - SH	4,386	-	100	4,286
Trap Team	3,180	-	3,180	-
Taxes, Sales	84	1,412	1,242	254
Varsity	4,338	804	1,550	3,592
Thespians Society	1,899	-	-	1,899
	<u>1,899</u>	<u>-</u>	<u>-</u>	<u>1,899</u>
Totals	<u>\$ 68,601</u>	<u>\$ 65,701</u>	<u>\$ 70,874</u>	<u>\$ 63,428</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, 2021**

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, 2021 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.