

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

FINANCIAL STATEMENTS

June 30, 2019

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ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITOR'S REPORT

BOARD OF EDUCATION ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each fund of **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT** (“the District”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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Auditor's Responsibility – Continued

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of the District as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 19, the Schedule of Changes in District's Total OPEB Liability and Related Ratios on page 71, the Schedule of School District Contributions on page 72, the Schedule of School District's Proportionate Share of the Net Pension (Asset) Liability on page 73, and the Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund on pages 74 to 76 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 the 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 Matters – Continued

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information included in the report shown on pages 74 to 81 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

October 8, 2019

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Our discussion and analysis of the **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT’S** financial performance provides an overview of the District’s financial activities for the year ended June 30, 2019. Please read it in conjunction with the Independent Auditors’ Report on page 1 and the District’s financial statements, which begin on page 20.

Financial Highlights

Every year, the District presents its general fund budget to the voters. As is discussed later in the Management’s Discussion & Analysis (MD&A), the 2018-2019 budget was approved. Below is a detail of the District’s budget, state aid and required levy to meet the budget.

Year	Budget	State Aid	Levy
2014 – 2015	\$ 29,860,528	\$ 22,789,033	\$ 6,945,285
2015 – 2016	\$ 30,537,690	\$ 23,091,775	\$ 7,019,395
2016 – 2017	\$ 31,413,117	\$ 23,902,625	\$ 6,502,300
2017 – 2018	\$ 31,413,117	\$ 24,670,570	\$ 6,379,516
2018 – 2019	\$ 32,966,891	\$ 25,923,135	\$ 6,386,171

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Financial Highlights – Continued

The District is committed to holding levy increases to the minimum it can to meet the community's educational needs, and with a stable employment base in the area, District residents have continued to be supportive.

Year	Levy Amount	Change
2014 – 2015	\$ 6,945,285	<u>-6.19%</u>
2015 – 2016	\$ 7,019,395	<u>1.07%</u>
2016 – 2017	\$ 6,502,300	<u>-7.37%</u>
2017 – 2018	\$ 6,379,516	<u>-1.89%</u>
2018 – 2019	\$ 6,386,171	<u>0.10%</u>

- **Changes in enrollment**

As the attached schedule indicates, there has been a decrease in enrollment over the last several years. For the near future we expect enrollment to remain steady.

School Year	Enrollment
2009 – 2010	1,342
2010 – 2011	1,312
2011 – 2012	1,278
2012 – 2013	1,321
2013 – 2014	1,290
2014 – 2015	1,265
2015 – 2016	1,166
2016 – 2017	1,185
2017 – 2018	1,143
2018 – 2019	1,173

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Financial Highlights – Continued

District-Wide View

As is discussed later in the MD&A, the District not only presents its financial statements on a fund level (such as the general fund) but also on a combined district-wide basis. The district-wide presentation shows all of the funds of the District combined, but shows them in a different way using a longer term view rather than the short term/more current view in the fund statements presentation. See page 8 of the MD&A and Note 2 to the financial statements for more information regarding the district-wide financial presentation and how it differs from the fund financial statements.

Summary information on this district-wide presentation is as follows:

- The District's net position decreased in 2019 from 2018 by \$1,785,441 primarily as a result of the recognition of deferred inflows and payable for other post-employment benefits upon adoption of GASB #75 discussed in Notes 2 and 10.
- During the year, the District had expenses of \$37,992,722 from providing functions and programs, of which it received approximately \$26 million from state and federal sources. This left the balance to be funded by taxes and other miscellaneous revenues. See page 12 in this MD&A for further detail and analysis.
- New York State Law limits the amount of unreserved fund balance that can be retained by the general fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget, reference pages 77 and 78.
- The District has adopted a multi-year Board of Education approved Fund Balance Plan designed to maintain its fund balance in compliance with state regulations. The District's significant fund balance was accumulated over a ten-year period through a multi-year strategic plan to improve financial efficiency and reduce the tax burden on District residents. Cost saving measures included the closing of three buildings, consolidation onto a single campus, redistricting of bus routes, two retirement incentives, and major energy efficiency improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Financial Highlights – Continued

District-Wide View – Continued

Summary information on this district-wide presentation is as follows – Continued

- On October 2, 2018, the District received voter approval to expend a maximum of \$2,000,000 of fund balance on a capital improvement project to commence in July 2019. The scope of this work in progress is to complete a capital improvement project consisting of certain renovations and alterations to the APW Junior/Senior High School and the APW Elementary School, including purchase of equipment, technology upgrades, classroom equipment and/or school infrastructure equipment, security and safety improvements, site development, together with all related construction, renovations, site improvements, original furnishings, fixtures, equipment, machinery and apparatus required for such purposes, including architectural fees, and all other costs incidental to such work at a cost not to exceed \$2,000,000. The focus of these improvements were safety and security of the main offices of both buildings.
- The full impact of the District's Fund Balance Plan is reported in these 2018-2019 financial statements. The District will continue to adjust its Fund Balance Plan consistent with the following goals.
 - A commitment to provide stable tax rates with minimal annual increases.
 - A commitment to invest future surpluses in a manner that will reduce and/or control future tax increases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Using This Annual Report

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's *overall* financial status. Because of this, the statement of net position will include assets such as buildings and equipment and long-term balances receivable due to the District as well as long-term liabilities such as bonds payable. In addition, payments for principal on long-term bond obligations will be shown as a reduction of the liability, and payments for buildings and equipment will be shown as additions to assets. See page 8 of the MD&A and Note 2 to the financial statements for additional information.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending. As such, in this presentation, payments for buildings and equipment will be shown as expenditures rather than an increase in assets, proceeds from new long-term borrowings will be shown as a source of revenues rather than a long-term liability, and principal payments on the long-term borrowings will be shown as expenditures. See page 8 of the MD&A and Note 2 to the financial statements for additional information.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The notes to the financial statements begin on page 31. The statements are followed by a section of required supplementary information and a section of other supplementary information. These schedules further explain and support the financial statements with a comparison of the District's budget for the year, a detailed capital project schedule, and other financial information. This supplementary information begins on page 71.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Using This Annual Report – Continued

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

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 District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • 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 assets • 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, 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 outflow of resources (if any), liabilities and deferred inflows of resources (if any), 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

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Reporting the School District as a Whole – District-Wide Statements

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

The two district-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*.

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

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

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Reporting the School District as a Whole – District-Wide Statements – Continued

TABLE 1

	Governmental Activities		Total Percent Change
	2018	2019	2018-2019
Current and Other Assets	\$ 25,572,320	\$ 28,770,672	12.5%
Capital Assets	<u>47,550,469</u>	<u>47,882,546</u>	0.7%
Total Assets	<u>73,122,789</u>	<u>76,653,218</u>	4.8%
Deferred Outflows of Resources	<u>6,911,617</u>	<u>6,136,170</u>	-11.2%
Total Assets and Deferred Outflows of Resources	<u>80,034,406</u>	<u>82,789,388</u>	3.4%
Long-Term Debt - Long-Term Portion	13,185,000	11,595,000	-12.1%
Long-Term Debt - Due Within One Year	3,410,000	1,965,000	-42.4%
Other Liabilities	<u>40,202,031</u>	<u>46,295,190</u>	15.2%
Total Liabilities	<u>56,797,031</u>	<u>59,855,190</u>	5.4%
Deferred Inflows of Resources	<u>2,646,110</u>	<u>4,128,374</u>	56.0%
Total Liabilities and Deferred Inflows of Resources	<u>59,443,141</u>	<u>63,983,564</u>	7.6%
Net Position:			
Net Investment in Capital Assets	30,955,469	34,322,546	10.9%
Restricted	20,990,404	19,915,980	-5.1%
Unrestricted (Deficit)	<u>(31,354,608)</u>	<u>(35,432,702)</u>	13.0%
Total Net Position	<u>\$ 20,591,265</u>	<u>\$ 18,805,824</u>	-8.7%

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Reporting the School District as a Whole – District-Wide Statements – Continued

TABLE 2
Changes in Net Position

	Governmental Activities		Total Percent Change
	2018	2019	2018-2019
REVENUES			
Program Revenues:			
Charges for Services	\$ 169,990	\$ 125,195	-26.4%
Operating Grants and Contributions	1,230,862	1,943,576	57.9%
General Revenue:			
Property Taxes and Other Tax Items	6,473,706	6,386,171	-1.4%
State Sources	25,185,766	26,122,651	3.7%
Federal Sources	235,473	330,643	40.4%
Other General Revenues	615,460	1,299,045	111.1%
Total Revenues	<u>33,911,257</u>	<u>36,207,281</u>	6.8%
PROGRAM EXPENSES			
General Support	4,371,482	5,402,380	23.6%
Instruction	21,907,445	24,980,608	14.0%
Transportation	3,392,407	4,399,849	29.7%
Debt Service - Interest	881,946	749,744	-15.0%
Depreciation	1,700,877	1,772,174	4.2%
School Lunch Program	453,215	687,967	51.8%
Total Expenses	<u>32,707,372</u>	<u>37,992,722</u>	16.2%
Change in Net Position	<u>\$ 1,203,885</u>	<u>\$ (1,785,441)</u>	248.3%

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Reporting the School District as a Whole – District-Wide Statements – Continued

As was noted previously in Table 2, the District's total revenues increased by 6.8%. This net increase was the result of an increase in federal and state sources. It was also due to an increase in other general revenues.

On the expenditure side, total expenditures increased mainly due to instruction expenditures.

Table 3 presents the cost of each of the District's largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers and general state aid by each of these functions. See the statement of activities and changes in net position on page 21 for further information.

**TABLE 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2018	2019	2018	2019
General Support	\$ 4,371,482	\$ 5,402,380	\$ 4,371,482	\$ 5,402,380
Instruction	21,907,445	24,980,608	21,113,284	23,603,014
Pupil Transportation	3,392,407	4,399,849	3,392,407	4,399,849
Debt Service - Interest	881,946	749,744	881,946	749,744
Depreciation Unallocated	1,700,877	1,772,174	1,700,877	1,772,174
School Lunch Program	453,215	687,967	(153,476)	(3,210)
	<u>453,215</u>	<u>687,967</u>	<u>(153,476)</u>	<u>(3,210)</u>
Total	<u>\$ 32,707,372</u>	<u>\$ 37,992,722</u>	<u>\$ 31,306,520</u>	<u>\$ 35,923,951</u>

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

The School District's Funds

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

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

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

The term "fund balance" refers to the particular fund's equity (assets – liabilities) in a similar manner to the way the term "net position" is used in the district-wide financial statement presentation.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

The School District's Funds – Continued

As the District completed the year, its governmental funds (as presented in the balance sheet on pages 22 and 23) reported a combined fund balance of \$24,856,014, which reflects an increase from last year's total of \$23,259,305. This increase is primarily due to the underspending of expenditures in the General Fund and the planned use of fund balance for capital improvement projects.

Highlights of some of the District's larger funds are as follows:

General Fund – 77% of the District's revenues came from state and federal sources and the remainder from real property taxes and other sources. At June 30, 2019, the District showed an excess of revenues over expenditures in its general fund. See Note 8 for an analysis of fund balance segregations and restrictions.

Special Aid Fund – The special aid fund had \$784,469 in assets at June 30, 2019, which consisted primarily of amounts Due from Other Governments and cash. Liabilities of \$784,469 consisted primarily of monies borrowed from the general fund. During 2019, revenues in the special aid fund of approximately \$1.4 million resulted from state and federal aid.

School Lunch Fund – School lunch fund assets consisted primarily of cash. Revenues of \$691,401 and expenditures of \$687,967 both increased over the prior year due to the new designation of the K-6 Elementary building for Community Eligible Provision (CEP) for the first time in 2018-2019.

Capital Projects Fund – In 2016-2017, the capital projects fund received a voter authorized transfer of \$4,000,000 from fund balance to fund a two phase capital project. These funds were used to finish the phase two portion of the project in the 2018-2019 school year.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

General Fund Budgetary Highlights

Budget transfers made at the end of each year to balance the budget fall into two categories:

1. Unforeseeable under-budgeting in a given code; when transfers into a code are necessary three years in a row, the situation is addressed in the following year's budget development process.
2. Occasional use of encumbering subsequent year expenses in order to maintain a level amount of carryover encumbrances from the previous year.

Capital Assets and Debt Administration

Capital Assets

At the end of 2019, the District had approximately \$47.9 million invested in a broad range of capital assets, including equipment and buildings (see Table 4 below). This amount represents a net decrease (including additions and deductions) from the prior year. As the table describes, the decrease is the result of depreciation exceeding new fixed assets.

TABLE 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities		Total Percent Change
	2018	2019	2018-2019
Land	\$ 64,800	\$ 64,800	0.0%
Buildings and Improvements	60,835,329	61,535,861	1.2%
Equipment	5,127,836	5,330,657	4.0%
Construction in Progress	226,455	822,188	0.0%
Less: Accumulated Depreciation	<u>(18,703,951)</u>	<u>(19,870,960)</u>	6.2%
Total	<u>\$ 47,550,469</u>	<u>\$ 47,882,546</u>	0.7%

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Capital Assets and Debt Administration – Continued

Debt

At year-end, the District had approximately \$13.6 million in bonds and notes outstanding versus \$16.6 million last year, a decrease as shown in Table 5.

TABLE 5
Outstanding Debt, at Year End

	Total School District		Total Percentage Change
	2018	2019	2018-2019
General Obligation Bonds (Financed with Property Taxes)	<u>\$ 16,595,000</u>	<u>\$ 13,560,000</u>	-18.3%
Total Outstanding Debt	<u>\$ 16,595,000</u>	<u>\$ 13,560,000</u>	-18.3%

More detailed information about the District's outstanding debt is presented in Notes 2, 6 and 7 to the financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Economic Factors and Next Year's Budgets and Rates

In March 2019, the New York State Comptroller performed an audit of the financial condition of the District to determine whether the Board and District officials effectively managed the District's financial condition. As a result of this audit, the key recommendations were made to the District to perform the following:

- Develop a plan to reduce the amount of unrestricted fund balance to comply with the statutory limit.
- Adopt annual budgets that contain realistic estimates for appropriations.
- Analyze reserve fund balances and ensure they are maintained at reasonable levels.
- Use the funds in the debt service fund to pay the related debt service expenditures.

District officials agreed with the findings and have taken steps to implement these recommendations. On January 21, 2019, the Board of Education passed a resolution to reallocate fund balance and bring the Unappropriated Fund Balance into compliance with the Comptroller's regulations. Additionally, on June 11, 2019, the Board of Education voted to approve the use of an independent third party vendor to prepare an objective five-year budget and fund balance projection for the District. This plan and projection will be used by the Board of Education throughout the 2019-2020 school year to review and update the Financial reserve and Fund Balance plan of the District.

During the school year, the District experienced turnover in key positions of the District due to retirements in the School Business Administrator, District Treasurer and District Clerk positions. The District Treasurer and District Clerk positions were successfully filled with qualified individuals in a timely fashion during the 2018-2019 school year. The School Business Administrator position was successfully searched and appointed prior to year-end; with a new hire start date of July 1st of the 2019-2020 school year. Subsequent to year end, the two Assistant Principal positions were vacant as the staff moved to other employment opportunities outside of the district. Again, the District was successful in hiring qualified staff to replace both Assistant Principals prior to the start of school in early September.

The May 21, 2019 school district budget vote was defeated by a vote of 215 yes to 269 no. The District was successful to pass the budget at the June 18, 2019 vote by a margin of 390 yes to 354 no. The District has secured contracts with vendors to assist with long range budget planning in an effort to increase transparency of the budget process with the community.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Economic Factors and Next Year's Budgets and Rates – Continued

The Altmar-Parish-Williamstown Central School District ended the fiscal year 2018-2019 in a strong financial position. We currently have a positive general fund balance which will be used to moderate future tax rates and unforeseen liabilities. In addition, fund balance will be utilized to reduce long-term debt and fund the purchase of buses, equipment and minor capital projects as well as fund the District's participation in the NYS Smart Schools bond program.

- Legislative mandates and state education department initiatives, which are not accompanied by financial support, continue to be a concern to the District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office at 315-625-5254.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2019

ASSETS

Unrestricted Cash	\$ 3,094,389
Restricted Cash	22,349,859
Accounts Receivable	8,689
Inventory	24,130
Due from Other Governments	2,246,108
Capital Assets, Net	47,882,546
Net Pension Asset - Proportionate Share	1,047,497

TOTAL ASSETS 76,653,218

DEFERRED OUTFLOWS OF RESOURCES

Pensions and Other Post-Employment Benefits	6,136,170
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LIABILITIES

Accounts Payable	1,321,947
Accrued Liabilities	192,690
Compensated Absences - Due Within One Year	144,998
Due to Other Governments	162
Due to Retirement Systems - Due Within One Year	1,219,970
Serial Bonds Payable - Due Within One Year	1,965,000
Long-Term Liabilities:	
Other Post-Retirement System Payable	42,666,167
Net Pension Liability - Proportionate Share	749,256
Serial Bonds Payable	11,595,000

TOTAL LIABILITIES 59,855,190

DEFERRED INFLOWS OF RESOURCES

Pensions	1,687,915
Other Post-Employment Benefits	2,440,459

TOTAL DEFERRED INFLOWS OF RESOURCES 4,128,374

NET POSITION

Net Investment in Capital Assets	34,322,546
Restricted	19,915,980
Unrestricted (Deficit)	(35,432,702)

TOTAL NET POSITION \$ 18,805,824

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Year Ended June 30, 2019

		<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
FUNCTIONS AND PROGRAMS				
General Support	\$ (5,402,380)	\$ 0	\$ 0	\$ (5,402,380)
Instruction	(24,980,608)	6,468	1,371,126	(23,603,014)
Pupil Transportation	(4,399,849)	0	0	(4,399,849)
Debt Service - Interest	(749,744)	0	0	(749,744)
Depreciation - Unallocated	(1,772,174)	0	0	(1,772,174)
School Lunch Program	<u>(687,967)</u>	<u>118,727</u>	<u>572,450</u>	<u>3,210</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (37,992,722)</u>	<u>\$ 125,195</u>	<u>\$ 1,943,576</u>	(35,923,951)
GENERAL REVENUES				
Real Property Taxes				4,972,321
Other Tax Items				1,413,850
Use of Money and Property				371,390
Sale of Property and Compensation for Loss				99,524
Miscellaneous				828,131
State Sources				26,122,651
Federal Sources				<u>330,643</u>
Total General Revenues				<u>34,138,510</u>
Changes in Net Position				(1,785,441)
Net Position, Beginning of Year				<u>20,591,265</u>
Net Position, End of Year				<u>\$ 18,805,824</u>

See notes to financial statements.

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2019

	General
ASSETS	
Unrestricted Cash	\$ 1,927,410
Restricted Cash	17,406,486
Accounts Receivable	8,689
Inventory	0
Due from Other Funds	2,928,976
Due from Other Governments	<u>1,758,531</u>
TOTAL ASSETS	<u><u>\$ 24,030,092</u></u>
LIABILITIES	
Accounts Payable	\$ 935,633
Accrued Liabilities	172,465
Due to Other Funds	176,600
Due to Other Governments	0
Due to Retirement Systems	1,219,970
Deferred Revenue	0
Compensated Absences Payable	<u>144,998</u>
Total Liabilities	2,649,666
FUND BALANCE	
Fund Balances:	
Nonspendable	0
Restricted	17,406,486
Assigned	475,218
Unassigned	<u>3,498,722</u>
Total Fund Balance	<u>21,380,426</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 24,030,092</u></u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

Special Aid	School Lunch	Debt Service	Capital Projects	Total
\$ 0	\$ 437,114	\$ 729,865	\$ 0	\$ 3,094,389
233,656	0	1,821,989	2,887,728	22,349,859
0	0	0	0	8,689
0	24,130	0	0	24,130
176,600	0	0	0	3,105,576
<u>374,213</u>	<u>113,364</u>	<u>0</u>	<u>0</u>	<u>2,246,108</u>
<u>\$ 784,469</u>	<u>\$ 574,608</u>	<u>\$ 2,551,854</u>	<u>\$ 2,887,728</u>	<u>\$ 30,828,751</u>
\$ 101,916	\$ 100,519	\$ 0	\$ 183,879	\$ 1,321,947
3,577	4,042	0	0	180,084
678,976	0	0	2,250,000	3,105,576
0	162	0	0	162
0	0	0	0	1,219,970
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>144,998</u>
784,469	104,723	0	2,433,879	5,972,737
0	24,130	0	0	24,130
233,656	0	1,821,989	453,849	19,915,980
0	445,755	729,865	0	1,650,838
<u>(233,656)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,265,066</u>
<u>0</u>	<u>469,885</u>	<u>2,551,854</u>	<u>453,849</u>	<u>24,856,014</u>
<u>\$ 784,469</u>	<u>\$ 574,608</u>	<u>\$ 2,551,854</u>	<u>\$ 2,887,728</u>	<u>\$ 30,828,751</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**
Year Ended June 30, 2019

	General
REVENUES	
Real Property Taxes	\$ 4,972,321
Other Tax Items	1,413,850
Charges for Services	6,468
Use of Money and Property	319,529
Sale of Property and Compensation of Loss	99,524
Miscellaneous	828,131
State Sources	25,923,135
Federal Sources	330,643
School Lunch - Sales	0
	<hr/>
Total Revenues	33,893,601
EXPENDITURES	
General Support	3,472,545
Instruction	15,180,450
Pupil Transportation	1,928,902
Employee Benefits	6,214,438
Debt Service	4,253,820
Cost of Sales	0
Capital Outlay	0
	<hr/>
Total Expenditures	31,050,155
	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,843,446
OTHER FINANCING SOURCES AND USES	
Proceeds from Debt	0
Operating Transfers In	0
Operating Transfers Out	0
	<hr/>
Total Other Sources and Uses	0
	<hr/>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,843,446
Fund Balance, Beginning of Year	18,536,980
	<hr/>
Fund Balance, End of Year	<u>\$ 21,380,426</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

Special Aid	School Lunch	Debt Service	Capital Projects	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,972,321
0	0	0	0	1,413,850
0	0	0	0	6,468
0	224	50,807	830	371,390
0	0	0	0	99,524
0	0	0	0	828,131
657,557	14,069	0	199,516	26,794,277
713,569	558,381	0	0	1,602,593
0	118,727	0	0	118,727
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,371,126	691,401	50,807	200,346	36,207,281
0	309,584	0	0	3,782,129
1,371,126	0	0	0	16,551,576
0	0	0	0	1,928,902
0	86,653	0	0	6,301,091
0	0	0	0	4,253,820
0	291,730	0	0	291,730
0	0	0	1,966,324	1,966,324
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,371,126	687,967	0	1,966,324	35,075,572
0	3,434	50,807	(1,765,978)	1,131,709
0	0	0	465,000	465,000
0	0	0	0	0
0	0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0	0	0	465,000	465,000
0	3,434	50,807	(1,300,978)	1,596,709
0	466,451	2,501,047	1,754,827	23,259,305
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 469,885	\$ 2,551,854	\$ 453,849	\$ 24,856,014
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2019

	Private Purpose Trust	
	Scholarship	Agency
ASSETS		
Cash	\$ 37,911	\$ 193,029
Restricted Cash	0	78,141
Accounts Receivable	0	10,449
	<hr/>	<hr/>
TOTAL ASSETS	\$ 37,911	\$ 281,619
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Other Liabilities	\$ 0	\$ 203,478
Extraclassroom Activity Balances	0	78,141
	<hr/>	<hr/>
TOTAL LIABILITIES	0	\$ 281,619
		<hr/> <hr/>
NET POSITION		
Reserved for Scholarships	<hr/> 37,911	
TOTAL NET POSITION	\$ 37,911	
	<hr/> <hr/>	

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2019

	Private Purpose Trust
ADDITIONS	
Contributions	\$ 5,727
Interest	<u>20</u>
Total Additions	5,747
DEDUCTIONS	
Scholarships and Awards	<u>6,066</u>
Change in Net Position	(319)
Net Position, Beginning of Year	<u>38,230</u>
Net Position, End of Year	<u><u>\$ 37,911</u></u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2019

	Total Governmental Funds	Adjustments to Accrual Basis	Reclassifi- cations and Eliminations	Statement of Net Assets Total
ASSETS				
Unrestricted Cash	\$ 3,094,389	\$ 0	\$ 0	\$ 3,094,389
Restricted Cash	22,349,859	0	0	22,349,859
Accounts Receivable	8,689	0	0	8,689
Inventory	24,130	0	0	24,130
Due from Other Funds	3,105,576	0	(3,105,576)	0
Due from Other Governments	2,246,108	0	0	2,246,108
Capital Assets, Net	0	47,882,546	0	47,882,546
Net Pension Assets	0	1,047,497	0	1,047,497
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	30,828,751	48,930,043	(3,105,576)	76,653,218
Deferred Outflows of Resources	0	6,136,170	0	6,136,170
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 30,828,751</u>	<u>\$ 55,066,213</u>	<u>\$ (3,105,576)</u>	<u>\$ 82,789,388</u>
LIABILITIES				
Accounts Payable	\$ 1,321,947	\$ 0	\$ 0	\$ 1,321,947
Accrued Liabilities	180,084	12,606	0	192,690
Deferred Revenue	0	0	0	0
Due to Other Funds	3,105,576	0	(3,105,576)	0
Due to Other Governments	162	0	0	162
Due to Retirement Systems	1,219,970	0	0	1,219,970
Compensated Absences	144,998	0	0	144,998
Long-Term Liabilities:				
Due Within One Year	0	1,965,000	0	1,965,000
Due Within More Than One Year	0	55,010,423	0	55,010,423
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	5,972,737	56,988,029	(3,105,576)	59,855,190
Deferred Inflows of Resources	0	4,128,374	0	4,128,374
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE/NET POSITION	<u>24,856,014</u>	<u>(6,050,190)</u>	<u>0</u>	<u>18,805,824</u>
TOTAL LIABILITIES AND FUND BALANCE/NET POSITION				
	<u>\$ 30,828,751</u>	<u>\$ 55,066,213</u>	<u>\$ (3,105,576)</u>	<u>\$ 82,789,388</u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**

Year Ended June 30, 2019

	Total Governmental Funds	Adjustments to Accrual Basis	Reclassifi- cations and Eliminations	Statement of Activities and Changes in Net Position
REVENUES				
Real Property Taxes	\$ 4,972,321	\$ 0	\$ 0	\$ 4,972,321
Other Tax Items	1,413,850	0	0	1,413,850
Charges for Services	6,468	0	0	6,468
Use of Money and Property	371,390	0	0	371,390
Sale of Property and Compensation for Loss	99,524	0	0	99,524
Miscellaneous	828,131	0	0	828,131
State Sources	26,794,277	0	0	26,794,277
Federal Sources	1,602,593	0	0	1,602,593
School Lunch - Sales	118,727	0	0	118,727
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	36,207,281	0	0	36,207,281
EXPENDITURES				
General Support	3,782,129	(15,326)	1,635,577	5,402,380
Instruction	16,551,576	0	8,429,032	24,980,608
Pupil Transportation	1,928,902	(122,601)	2,593,548	4,399,849
Employee Benefits	6,301,091	6,753,303	(13,054,394)	0
Debt Service	4,253,820	(3,504,076)	0	749,744
Depreciation Unallocated	0	1,772,174	0	1,772,174
Cost of Sales/School Lunch Program	291,730	0	396,237	687,967
Capital Outlay	1,966,324	(1,966,324)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	35,075,572	2,917,150	0	37,992,722
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	1,131,709	(2,917,150)	0	(1,785,441)

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**

Year Ended June 30, 2019

	Total Governmental Funds	Adjustments to Accrual Basis	Reclassifi- cations and Eliminations	Statement of Activities and Changes in Net Position
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,131,709	(2,917,150)	0	(1,785,441)
OTHER FINANCING SOURCES AND USES				
Proceeds from Debt	465,000	(465,000)	0	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Sources	<u>465,000</u>	<u>(465,000)</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,596,709	(3,382,150)	0	(1,785,441)
Fund Balance/Net Position, (Deficit) Beginning of Year	<u>23,259,305</u>	<u>(2,668,040)</u>	<u>0</u>	<u>20,591,265</u>
Fund Balance/Net Position, (Deficit) End of Year	<u><u>\$ 24,856,014</u></u>	<u><u>\$ (6,050,190)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 18,805,824</u></u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT** (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, “*The Financial Reporting Entity*,” as amended by GASB Statement No. 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 as well as the component units and other organizational entities determined to be includable in the District’s financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity.

1. Extraclassroom Activity Funds

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Joint Venture

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

BOCES are organized under Section 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 Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation [Section 1950(6)]. In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 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, Section 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 \$5,713,944 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued no serial bonds on behalf of BOCES and had no outstanding debt.

The District's share of BOCES aid amounted to \$2,215,090.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Presentation

1. District-Wide Statements

The statement of net position and the statement of activities and changes in net position 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 net position presents the financial position of the District at fiscal year-end. The statement of activities and changes in net position presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions 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.

2. Fund Financial Statements

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

The District reports the following 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

C. **Basis of Presentation** – Continued

2. Fund Financial Statements – Continued

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 or 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.

Capital Projects Funds

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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 assets are outstanding, this fund must be used to account for the proceeds for the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following fiduciary funds:

Fiduciary Fund

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurements 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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District 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, except real property taxes which are considered 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, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Cash (and Cash Equivalents) 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 the 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2018 and are re-levied to the County by November 15, 2018. Taxes are collected during the period September 1, 2018 through October 31, 2018.

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

G. Accounts Receivable

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

H. Due from Other Governments

Due from other governments include receivables due from BOCES and state and federal agencies. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

I. Inventory

Inventory of food in the school lunch fund is 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 items for inventory in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

A portion of the fund balance in the amount of these non-liquid assets (inventory and prepaid items) has been identified as not available for other subsequent expenditures.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

J. Interfund Transactions

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

In the district-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

K. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

The capitalization threshold (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 follow:

	Capitalization Threshold	Depreciation Method	Estimated Useful Lives
Buildings	\$5,000	Straight-Line	20-50 Years
Building Improvements	\$5,000	Straight-Line	50 Years
Site Improvements	\$5,000	Straight-Line	50 Years
Furniture and Equipment	\$5,000	Straight-Line	5 – 20 Years

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

L. Vested Employee Benefits

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

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

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

Consistent with GASB Statement No. 16, “*Accounting for Compensated Absences*,” the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements only the amount of the 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.

M. Other Post-Employment Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the 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. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows related to pensions and prepaids in the district-wide statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pensions and deferred charges in the district-wide statement of net position.

Pension Obligations

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

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension's membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – Continued

Plan Descriptions and Benefits Provided – Continued

Employees' Retirement System (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 the 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.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For 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.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – Continued

Plan Descriptions and Benefits Provided – Continued

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

	NYSTRS	NYSERS
2019	<u>\$ 805,647</u>	<u>\$ 412,524</u>
2018	<u>\$ 998,118</u>	<u>\$ 441,617</u>
2017	<u>\$ 1,002,960</u>	<u>\$ 410,526</u>

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

At June 30, 2019, 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, 2019 for ERS and June 30, 2018 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.

	ERS	TRS
Actuarial Valuation Date	April 1, 2018	June 30, 2017
Net Pension (Asset)/Liability	<u>\$ 7,085,305,000</u>	<u>\$ (1,808,264,000)</u>
District's Portion of the Plan's Total Net Pension (Asset)/Liability	<u>\$ 749,256</u>	<u>\$ (1,047,497)</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – Continued

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

For the year ended June 30, 2019, the District recognized pension expenses of \$514,576 for ERS and \$839,454 for TRS in the district-wide financial statements. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 147,544	\$ 782,786	\$ 50,296	\$ 141,793
Changes of Assumptions	188,332	3,661,689	0	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	0	192,301	1,162,801
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	81,967	207,740	16,115	124,609
District's Contributions Subsequent to the Measurement Date	0	924,716	0	0
Total	\$ 417,843	\$ 5,576,931	\$ 258,712	\$ 1,429,203

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – 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, reported as deferred outflow of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS		TRS
Year Ended:			
2020	\$ 175,428	\$	739,344
2021	(127,990)		101,672
2022	4,727		736,876
2023	106,966		475,854
Thereafter	0		92,829

Actuarial Assumptions

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

	ERS	TRS
Measurement Date	March 31, 2019	June 30, 2018
Actuarial Valuation Date	April 1, 2018	June 30, 2017
Interest Rate	7.00%	7.25%
Salary Scale	4.2%	1.90% - 4.72%
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation Rate	2.5%	2.5%

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – Continued

Actuarial Assumptions – Continued

For ERS, annuitant mortality rates are based on April 1, 2010 to March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 to June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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 weighing the expected future real rates of return by each 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:

	ERS	TRS
Measurement Date	March 31, 2019	June 30, 2018
Asset Type		
Domestic Equities	4.55%	5.80%
International Equities	6.35%	7.30%
Global Equities	0.00%	6.70%
Real Estate	5.55%	4.90%
Private Equity/Alternative Investments	7.50%	8.90%
Absolute Return Strategies	3.75%	0.00%
Opportunistic Portfolio	5.68%	0.00%
Real Assets	5.29%	0.00%
Cash	-0.25%	0.00%
Bonds, Cash and Mortgages	1.31%	0.00%
Inflation Indexed Bonds	1.25%	0.00%
Domestic Fixed Income Securities	0.00%	1.30%
Global Fixed Income Securities	0.00%	0.90%
Private Debt	0.00%	6.80%
High-yield Fixed Income Securities	0.00%	3.50%
Real Estate Debt	0.00%	2.80%
Short-Term	0.00%	0.30%

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – Continued

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% 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 (Asset) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0% for ERS and 7.25% 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 (6.0% for ERS and 6.25% for TRS) or 1 percentage point higher (8.0% for ERS and 8.25% for TRS) than the current rate:

	1% Decrease (6.00%)	Current Assumption (7.00%)	1% Increase (8.00%)
ERS			
District's Proportionate Share of the Net Pension (Asset)/Liability	<u>\$ 3,275,869</u>	<u>\$ 749,256</u>	<u>\$ (1,373,277)</u>
	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
TRS			
District's Proportionate Share of the Net Pension (Asset)/Liability	<u>\$ 7,196,474</u>	<u>\$ (1,047,497)</u>	<u>\$ (7,953,654)</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Deferred Outflows and Inflows of Resources – Continued

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2019	June 30, 2018
Employer's Total Pension (Asset)/Liability	\$ 189,803,429	\$ 118,107,254
Plan Net Position	<u>(182,718,124)</u>	<u>(119,915,518)</u>
Employer's Net Pension (Asset)/Liability	<u>\$ 7,085,305</u>	<u>\$ (1,808,264)</u>
Ratio of Plan Net Position to the Employers' Total Pension Asset/(Liability)	<u>96.3%</u>	<u>101.5%</u>

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, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employer's contribution rates, by tier. Accrued retirement contributions as of June 30, 2019 amounted to \$124,342.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October, and November 2019 through a State Aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 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, 2019 amounted to \$1,095,628.

O. Unearned Revenue

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

P. 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.

Q. 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.

R. Accrued Liabilities and Long Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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 reports as due in one year or due within more than one year in the statement of net position.

S. Equity Classifications

District-wide Statements: The statement of net position requires the classification of net position into three components as follows:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

S. Equity Classifications – Continued

Restricted Net Position – reports net position when constraints placed on assets or deferred outflows of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, 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 are deemed to be available for general use by the District.

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

- **Nonspendable** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District has nonspendable fund balance of \$24,130 in the school lunch fund as of June 30, 2019. The nonspendable school lunch fund balance consists of the equity associated with the District’s inventory.
- **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 general fund are classified as restricted fund balance. The restricted fund balance at June 30, 2019 consists of the following balances:

General Fund:

Workers' Compensation Reserve	\$ 475,584
Unemployment Insurance Reserve	71,428
Retirement Contribution Reserve	2,172,552
Insurance Reserve	476,641
Capital Reserve	2,269,630
Repair Reserve	11,069,786
Tax Certiorari Reserve	151,500
Reserve for Employee Benefits Accrued Liabilities	<u>719,365</u>
Total Restricted Fund Balance	17,406,486
Special Aid	233,656
Debt Service Reserve	1,821,989
Capital	<u>453,849</u>
Total Restricted Fund Balance	<u><u>\$ 19,915,980</u></u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

S. Equity Classifications – Continued

1. Tax Certiorari Reserve

Tax Certiorari Reserve (Education Law Section 3651.1-a) is 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. The reserve is accounted for in the general fund.

2. Insurance Reserve

According to General Municipal Law §6-d, 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. The reserve is accounted for in the general fund.

3. Capital Reserve

Capital Reserve (Education Law §3651) is 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

S. Equity Classifications – Continued

4. Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is 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. The reserve is accounted for in the general fund.

5. Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is 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.

6. Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-l) is used to establish a reserve 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. The reserve is accounted for in the debt service fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

S. Equity Classifications – Continued

7. Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

8. Reserve for Employee Benefit Accrued Liability

Reserve for Employee Benefit Accrued Liability (GML Section 6-p) is used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

9. Repair Reserve

According to General Municipal Law Section 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 years. This reserve is accounted for in the general fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

S. Equity Classifications – Continued

10. 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.

- Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2019.
- Assigned – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$324,889.
- Unassigned – Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

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 District’s budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitations. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

S. Equity Classifications – Continued

Order of Use Fund Balance

The District’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

T. New Accounting Standards

GASB has issued statement No. 83 “*Certain Asset Retirement Obligations*”, effective for the year ending June 30, 2019.

GASB has issued statement No. 88 “*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*”, effective for the year ending June 30, 2019.

U. Future Changes in Accounting Standards

The District will evaluate the impact the following pronouncements may have on its financial statements.

GASB Statement No. 84, “*Fiduciary Activities*”, was issued in January 2017. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The District is required to adopt the provisions of this Statement for the year ending June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

U. Future Changes in Accounting Standards – Continued

GASB Statement No. 87, “*Leases*”, was issued in June 2017. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The District is required to adopt the provisions of this Statement for the year ending June 30, 2021.

GASB Statement No. 89, “*Accounting for Interest Cost Incurred Before the End of a Construction Period*”, was issued in June 2018. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. The District is required to adopt the provisions of this Statement for the year ending June 30, 2021.

V. Subsequent Events

On May 21, 2019, voters approved a referendum to purchase passenger buses funded by a serial bond for an amount not to exceed \$275,000 in 2019/2020.

Management evaluated events through October 8, 2019, which is the date the financial statements were available to be issued.

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

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

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

A. Total Fund Balances of Governmental Funds versus Net Position of Governmental Activities

Total fund balances of the District’s governmental funds differ from “net position” of governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus on the statement of net position versus the solely current financial resources focus on the governmental fund balance sheets.

**Explanation of Differences Between Governmental Funds Balance Sheet
and the Statement of Net Position**

TOTAL GOVERNMENTAL FUND BALANCES		\$ 24,856,014
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital net assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,882,546
The District's proportionate share of the employee retirement systems' collective net pension asset or liability is not reported in the funds.		
TRS Net Pension Asset - Proportionate Share	1,047,497	
ERS Net Pension Liability - Proportionate Share	<u>(749,256)</u>	
Total		298,241
Deferred outflows of resources, including deferred charges on defeased debt and pensions, represents a consumption of net pension that applies to future periods and, therefore, are not reported in the funds. Deferred inflows of resources including unavailable revenue and pensions, represents an acquisition of net position that applies to future periods and, therefore, are not reported in the funds.		
ERS Deferred Outflows - Pension	417,843	
TRS Deferred Outflows - Pension	5,576,931	
ERS Deferred Inflows - Pension	(258,712)	
TRS Deferred Inflows - Pension	(1,429,203)	
Deferred Outflows - OPEB	141,396	
Deferred Inflows - OPEB	<u>(2,440,459)</u>	
Total		2,007,796
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds	(13,560,000)	
Accrued Interest Payable	(12,606)	
Post-Retirement Health Care Benefits	<u>(42,666,167)</u>	
Total		<u>(56,238,773)</u>
Net Position of Governmental Activities		<u>\$ 18,805,824</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Position

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities and changes in net position fall into one of five broad categories:

1. *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 and changes in net position 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 and changes in net position.

2. *Capital Related Differences*

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

3. *Long-Term Debt Transaction Differences*

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the statement of activities and changes in net position as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

4. *Pension Differences*

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

5. *Other Post-Employment Benefits Differences*

Other post-employment benefit (OPEB) differences occur as a result of changes in the District's OPEB liability.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Position – Continued

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 1,596,709**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. 332,077

Repayment (issuance) of bond principal is an expenditure (revenue) in the funds, but the repayment (issuance) reduces (increases) long-term liabilities in the statement of activities. 3,500,000

Proceeds from long-term debt are reported as revenue in the governmental funds but are reported as liabilities in the statement of net assets. (465,000)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when paid. 4,076

Other post-employment benefits liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. In addition, changes in the District's deferred outflows and deferred inflows related to other post-employment benefits do not effect current financial resources and are also not reported in the governmental funds. (6,655,354)

Changes in the District's proportionate share of net pension assets and liabilities have no effect on current financial resources and therefore are not reported in the governmental funds. In addition, changes in the District's deferred outflows and deferred inflows related to pensions do not effect current financial resources and are also not reported in the governmental funds. (97,949)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (1,785,441)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND
ACCOUNTABILITY**

Budgets

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

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line item level. While total expenditures did not exceed the voter approved budget, certain program line items exceeded appropriations as shown on page 76.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred.

Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The District did not receive any additional revenue after the original budget was finalized.

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.

The General Fund is the only fund with a legally adopted budget for the fiscal year ended June 30, 2019.

Budgets are established and used for individual capital project fund 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.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

Encumbrances

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

Fund Balance

The fund balance for the general fund at June 30, 2019 exceeds the statutory limit as described on the Real Property Tax Law Limit – General Fund schedule.

NOTE 4 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT AND CONCENTRATION OF CREDIT RISK

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

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

Uncollateralized \$ 345,917

Collateralized with securities held by the pledging financial institution’s trust department or agent, or held in escrow, but not in the District’s name. \$ 25,756,501

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$22,349,859 within the governmental funds and \$78,141 in the fiduciary funds.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE 4 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL
CREDIT AND CONCENTRATION OF CREDIT RISK – Continued**

The District's cash balances at June 30, 2019 consisted of the following:

	Carrying Value	Bank Balance
Cash:		
Bank Accounts	<u>\$ 25,753,329</u>	<u>\$ 26,006,501</u>

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets that are Not Depreciated:				
Land	\$ 64,800	\$ 0	\$ 0	\$ 64,800
Construction in Progress	<u>226,455</u>	<u>595,733</u>	<u>0</u>	<u>822,188</u>
	<u>\$ 291,255</u>	<u>\$ 595,733</u>	<u>\$ 0</u>	<u>\$ 886,988</u>
Capital Assets that are Depreciated:				
Building and Land Improvements	\$ 60,835,329	\$ 700,532	\$ 0	\$ 61,535,861
Furniture and Equipment	<u>5,127,836</u>	<u>807,986</u>	<u>(605,165)</u>	<u>5,330,657</u>
Total Depreciable Historical Cost	65,963,165	1,508,518	(605,165)	66,866,518
Less Accumulated Depreciation:				
Building and Land Improvements	15,449,858	1,391,655	0	16,841,513
Furniture and Equipment	<u>3,254,093</u>	<u>380,519</u>	<u>(605,165)</u>	<u>3,029,447</u>
Total Accumulated Depreciation	<u>18,703,951</u>	<u>1,772,174</u>	<u>(605,165)</u>	<u>19,870,960</u>
Total Depreciable Historical Cost, Net	<u>\$ 47,259,214</u>	<u>\$ (263,656)</u>	<u>\$ 0</u>	<u>\$ 46,995,558</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 6 – SHORT-TERM DEBT

The District may issue revenue anticipation notes and tax anticipation notes, 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, 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.

There were no short-term notes or bonds at June 30, 2019.

NOTE 7 – LONG-TERM DEBT

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

Interest Paid	\$ 753,820
Less: Interest Accrued in the Prior Year	16,682
Plus: Interest Accrued in Current Year	<u>12,606</u>
Total Expense	<u><u>\$ 749,744</u></u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 – LONG-TERM DEBT – Continued

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

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Government Activities:					
Serial Bonds	<u>\$ 16,595,000</u>	<u>\$ 465,000</u>	<u>\$(3,500,000)</u>	<u>\$ 13,560,000</u>	<u>\$ 1,965,000</u>
Total Bonds Payable	16,595,000	465,000	(3,500,000)	13,560,000	1,965,000
Other Liabilities:					
Compensated Absences	101,491	43,507		144,998	144,998
Due to the Retirement System	1,279,665	0	(59,695)	1,219,970	1,219,970
Post-Retirement Healthcare Benefits	<u>37,956,383</u>	<u>4,709,784</u>	<u>0</u>	<u>42,666,167</u>	<u>0</u>
Total Other Liabilities	<u>39,337,539</u>	<u>4,753,291</u>	<u>(59,695)</u>	<u>44,031,135</u>	<u>1,364,968</u>
Total Long-Term Liabilities	<u><u>\$ 55,932,539</u></u>	<u><u>\$ 5,218,291</u></u>	<u><u>\$(3,559,695)</u></u>	<u><u>\$ 57,591,135</u></u>	<u><u>\$ 3,329,968</u></u>

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

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 – LONG-TERM DEBT – Continued

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. Bonds outstanding in the amount of \$1,590,000 are considered defeased.

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

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2019
Serial Bonds	6/15/2011	6/15/2024	1.000% - 4.500%	\$ 2,130,000
Serial Bonds	7/15/2012	7/15/2026	3.000% - 5.000%	10,695,000
Serial Bonds	7/15/2015	6/15/2020	2.125% - 2.250%	75,000
Serial Bonds	10/15/2017	6/15/2022	0.500% - 2.852%	285,000
Serial Bonds	10/15/2018	6/15/2023	2.340% - 2.880%	375,000
Total				\$ 13,560,000

	Principal	Interest	Total
Fiscal Year Ended June 30,			
2020	\$ 1,965,000	\$ 608,467	\$ 2,573,467
2021	1,980,000	521,727	2,501,727
2022	2,065,000	431,255	2,496,255
2023	2,060,000	335,316	2,395,316
2024	2,055,000	237,000	2,292,000
2025-2026	3,435,000	189,350	3,624,350
Total	\$ 13,560,000	\$ 2,323,115	\$ 15,883,115

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 – FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) has issued Statement No 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” (GASB 54). This Statement defines the types of fund balance that a governmental entity must use for financial reporting purposes.

At June 30, 2019, the amounts in each fund were as follows:

	General Fund	Special Aid	School Lunch	Debt Service	Capital Projects	Total
Nonspendable	\$ 0	\$ 0	\$ 24,130	\$ 0	\$ 0	\$ 24,130
Restricted:						
Special Aid	0	233,656	0	0	0	233,656
Debt Service	0	0	0	1,821,989	0	1,821,989
Capital	2,269,630	0	0	0	453,849	2,723,479
Workers' Compensation	475,584	0	0	0	0	475,584
Unemployment Insurance	71,428	0	0	0	0	71,428
Retirement Contribution	2,172,552	0	0	0	0	2,172,552
Insurance	476,641	0	0	0	0	476,641
Reserve for Tax						
Certiorari	151,500	0	0	0	0	151,500
Repair	11,069,786	0	0	0	0	11,069,786
Employee Benefits						
Accrued Liability	719,365	0	0	0	0	719,365
Total Restricted	17,406,486	233,656	0	1,821,989	453,849	19,915,980
Assigned:						
Board of Education	549	0	0	0	0	549
Central Administration	1,950	0	0	0	0	1,950
Finance	460	0	0	0	0	460
Central Services	132,079	0	0	0	0	132,079
Instruction, Admin. and Improvement	45,401	0	0	0	0	45,401
Teaching -						
Regular and Occupational	22,951	0	0	0	0	22,951
Instructional Media	105,789	0	0	0	0	105,789
Pupil Services	4,047	0	0	0	0	4,047
Pupil Transportation	11,663	0	0	0	0	11,663
Appropriated Fund Balance	150,329	0	445,755	729,865	0	1,325,949
Total Assigned	475,218	0	445,755	729,865	0	1,650,838
Unassigned	3,498,722	(233,656)	0	0	0	3,265,066
TOTAL FUND BALANCE	\$ 21,380,426	\$ 0	\$ 469,885	\$ 2,551,854	\$ 453,849	\$ 24,856,014

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

Interfund balances and activity at June 30, 2019 are as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 2,928,976	\$ 176,600	\$ 0	\$ 0
Special Aid Fund	176,600	678,976	0	0
School Lunch Fund	0	0	0	0
Capital Projects Fund	<u>0</u>	<u>2,250,000</u>	<u>0</u>	<u>0</u>
Total Government Activities	3,105,576	3,105,576	0	0
Fiduciary Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 3,105,576</u>	<u>\$ 3,105,576</u>	<u>\$ 0</u>	<u>\$ 0</u>

The District typically transfers from the general fund to the special aid fund.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

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

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

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – Continued

A. General Information about the OPEB Plan – Continued

Employees Covered by Benefit Terms – As of July 1, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	117
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	<u>245</u>
Total	<u><u>362</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$42,666,167 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

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

Discount Rate	3.50%
Healthcare Cost Trend Rates:	
Current Year Trend	8.00%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2026
Salary Increases	2.00%

The actuarial assumptions used in the June 30, 2019 valuation was based on the results of an actuarial experience study for the period July 1, 2017 – July 1, 2018. The Actuarial Cost Method used was the Entry Age Normal Method as prescribed by GASB #75.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – Continued

B. Total OPEB Liability – Continued

Significant Changes in Actuarial Assumptions from the Previous Actuarial Valuation

The discount rate changed from 2.85% to 3.50% and was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20 year AA municipal bond rate as of June 30, 2019.

The mortality rate changed from the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA to SOA RP-2014 Total Dataset Mortality with Scale MP=2018 (Base Rate 2006).

Trend rates were advanced and the current year rate was adjusted to reflect actual experience.

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 37,956,383
Changes for the Year:	
Service Cost	1,485,895
Interest	1,410,327
Assumption Changes	780,972
Differences Between Expected and Actual	2,050,586
Benefits Payments	<u>(1,017,996)</u>
Net Changes	<u>4,709,784</u>
Balance at June 30, 2019	<u><u>\$ 42,666,167</u></u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – Continued

C. Changes in the Total OPEB Liability – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current discount rate based on the June 30, 2019 measurement date.

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	<u>\$ 49,965,249</u>	<u>\$ 42,666,167</u>	<u>\$ 37,136,841</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current healthcare cost trend rate at June 30, 2019:

	1% Decrease 7.00%	Healthcare Cost Trend Rate 8.00%	1% Increase 9.00%
Total OPEB Liability	<u>\$ 34,507,315</u>	<u>\$ 42,666,167</u>	<u>\$ 53,698,289</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – Continued

D. OPEB Expense and Deferred Outflows of Resources

For the year ended June 30, 2019, the District recognized OPEB expense of \$3,215,597.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actuarial Experience Different from Expected	\$ 141,396	\$ 1,767,356
Assumption Changes	<u>0</u>	<u>673,103</u>
Total	<u>\$ 141,396</u>	<u>\$ 2,440,459</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

Fiscal Year Ending June 30,	
2020	\$ 320,400
2021	320,400
2022	320,400
2023	320,400
2024	320,400
Thereafter	<u>697,063</u>
Total	<u>\$ 2,299,063</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 11 – 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.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

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

The District participates in a CNY Workmen's Compensation Consortium, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$-0-. The District has reserved \$475,584 for future claims.

A \$4,000,000 building renovation capital project is currently in progress. Signed contract commitments including retainage at June 30, 2019 were \$683,139.

On October 2, 2018, voters approved a School Security and Safety Improvement project for \$2,000,000 to be paid from capital reserve. Signed contract commitments including retainage at June 30, 2019 were \$779,009.

NOTE 13 – TAX ABATEMENTS

The County of Oswego Industrial Development Agency, entered into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was discounted \$50,898 and received payments in Lieu of Tax (PILOT) payments totaling \$376,977 for these entities.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

Year Ended June 30, 2019

	2018	2019
Measurement Date	July 1, 2016	June 30, 2019
Total OPEB Liability		
Service Cost	1,365,889	1,485,895
Interest	1,025,925	1,410,327
Assumption Changes	0	780,972
Assumption Changes and Difference Between Actual and Expected Experience	0	2,050,586
Change in Actuarial Cost Method	0	0
Benefit Payments	<u>(865,569)</u>	<u>(1,017,996)</u>
Net Change in Total OPEB Liability	1,526,245	4,709,784
Total OPEB Liability - Beginning	<u>36,430,138</u>	<u>37,956,383</u>
Total OPEB Liability - Ending	<u><u>\$ 37,956,383</u></u>	<u><u>\$ 42,666,167</u></u>
Covered Payroll	<u><u>\$ 11,622,396</u></u>	<u><u>\$ 10,612,364</u></u>
Total OPEB Liability as a Percentage of Covered Payroll	<u><u>326.6%</u></u>	<u><u>402.0%</u></u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS

Year Ended June 30, 2019

	Employees' Retirement System				
	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 447,676	\$ 476,799	\$ 449,989	\$ 497,366	\$ 577,969
Contributions in Relation to Contractually Required Contributions	<u>(447,676)</u>	<u>(476,799)</u>	<u>(449,989)</u>	<u>(497,366)</u>	<u>(577,969)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered-Employee Payroll	<u>\$ 3,421,304</u>	<u>\$ 3,521,236</u>	<u>\$ 3,318,962</u>	<u>\$ 3,262,325</u>	<u>\$ 3,021,246</u>
Contribution as a Percentage of Covered-Employee Payroll	<u>13.08%</u>	<u>13.54%</u>	<u>13.56%</u>	<u>15.25%</u>	<u>19.13%</u>
	Teachers' Retirement System				
	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 924,716	\$ 1,041,506	\$ 1,159,250	\$ 1,609,865	\$ 1,505,588
Contributions in Relation to Contractually Required Contributions	<u>(924,716)</u>	<u>(1,041,506)</u>	<u>(1,159,250)</u>	<u>(1,609,865)</u>	<u>(1,505,588)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered-Employee Payroll	<u>\$ 9,154,738</u>	<u>\$ 9,712,307</u>	<u>\$ 8,950,095</u>	<u>\$ 9,456,075</u>	<u>\$ 9,929,499</u>
Contribution as a Percentage of Covered-Employee Payroll	<u>10.10%</u>	<u>10.72%</u>	<u>12.95%</u>	<u>17.02%</u>	<u>15.16%</u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY

Year Ended June 30, 2019

	Employees' Retirement System				
Measurement Date	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension (Asset) Liability	<u>0.0105748%</u>	<u>0.0106401%</u>	<u>0.0105225%</u>	<u>0.0112814%</u>	<u>0.0100000%</u>
School District's Proportion Share of the Net Pension (Asset) Liability	<u>\$ 749,256</u>	<u>\$ 343,402</u>	<u>\$ 988,719</u>	<u>\$ 1,810,690</u>	<u>\$ 386,874</u>
School District's Covered-Employee Payroll During Measurement Period	<u>\$ 3,421,304</u>	<u>\$ 3,521,236</u>	<u>\$ 3,318,962</u>	<u>\$ 3,262,325</u>	<u>\$ 3,021,246</u>
School District's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered-Employee Payroll	<u>21.90%</u>	<u>9.75%</u>	<u>29.79%</u>	<u>55.50%</u>	<u>12.81%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability	<u>96.30%</u>	<u>98.20%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
	Teachers' Retirement System				
Measurement Date	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension (Asset) Liability	<u>0.0579280%</u>	<u>0.0560780%</u>	<u>0.0566550%</u>	<u>0.0611360%</u>	<u>0.0604970%</u>
School District's Proportion Share of the Net Pension (Asset) Liability	<u>\$ (1,047,497)</u>	<u>\$ (429,251)</u>	<u>\$ 606,800</u>	<u>\$ (6,350,101)</u>	<u>\$ (6,739,042)</u>
School District's Covered-Employee Payroll During Measurement Period	<u>\$ 9,154,738</u>	<u>\$ 9,712,307</u>	<u>\$ 8,950,095</u>	<u>\$ 9,456,075</u>	<u>\$ 9,929,499</u>
School District's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered-Employee Payroll	<u>-11.44%</u>	<u>-4.42%</u>	<u>6.78%</u>	<u>-67.15%</u>	<u>-67.87%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability	<u>101.50%</u>	<u>100.70%</u>	<u>99.01%</u>	<u>110.50%</u>	<u>111.50%</u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND
Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	\$ 4,896,720	\$ 4,896,720	\$ 4,972,321	\$ 75,601
Other Tax Items	1,427,903	1,427,903	1,413,850	(14,053)
Charges for Services	6,264	6,264	6,468	204
Use of Money and Property	80,480	80,480	319,529	239,049
Sale of Property and Compensation for Loss	22,197	22,197	99,524	77,327
Miscellaneous	323,556	323,556	828,131	504,575
State Sources	26,052,603	26,052,603	25,923,135	(129,468)
Federal Sources	0	0	330,643	330,643
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	32,809,723	32,809,723	33,893,601	1,083,878
OTHER SOURCES				
Operating Transfers In	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 0
Total Revenues and Other Sources	32,809,723	32,809,723	33,893,601	<u>\$ 1,083,878</u>
Appropriated Reserve	0	157,168	0	
Appropriated Fund Balance	<hr/> 0	<hr/> 0	<hr/> 0	
Total Revenues, Other Sources and Appropriated Fund Balance	<u>\$ 32,809,723</u>	<u>\$ 32,966,891</u>	<u>\$ 33,893,601</u>	

See notes to financial statements.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND**
Year Ended June 30, 2019

	Original Budget
EXPENDITURES	
General Support:	
Board of Education	\$ 20,853
Central Administration	219,769
Finance	709,666
Staff	179,202
Central Services	2,097,417
Special Items	641,042
Instruction:	
Instruction, Administration and Improvement	1,438,723
Teaching - Regular School	6,618,019
Occupational Education	4,868,804
Teaching - Special School	628,531
Instructional Media	792,414
Pupil Services	1,057,624
Pupil Transportation	1,899,070
Census	500
Employee Benefits	7,159,133
Debt Service:	
Debt Service Principal	3,590,000
Debt Service Interest	888,956
	<hr/>
TOTAL EXPENDITURES	32,809,723
OTHER USES	
Operating Transfers Out	0
	<hr/>
Net Change in Fund Balance	<u><u>\$ 32,809,723</u></u>
Fund Balance - Beginning	
Fund Balance - Ending	

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
\$ 21,280	\$ 18,720	\$ 549	\$ 2,011
223,587	301,114	1,950	(79,477)
724,376	567,842	460	156,074
179,202	154,556	0	24,646
1,964,776	1,820,045	132,079	12,652
641,042	610,268	0	30,774
1,505,723	1,174,289	45,401	286,033
5,971,530	5,757,976	4,579	208,975
5,643,060	4,808,895	18,372	815,793
628,531	1,494,963	0	(866,432)
956,495	907,178	105,789	(56,472)
1,050,119	1,037,149	4,047	8,923
1,969,620	1,928,902	11,663	29,055
500	0	0	500
7,159,133	6,214,438	0	944,695
3,520,700	3,500,000	0	20,700
807,197	753,820	0	53,377
<u>32,966,871</u>	<u>31,050,155</u>	<u>\$ 324,889</u>	<u>\$ 1,591,827</u>
<u>0</u>	<u>0</u>		
<u>\$ 32,966,871</u>	2,843,446		
	<u>18,536,980</u>		
	<u>\$ 21,380,426</u>		

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY FINANCIAL INFORMATION

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET
TO FINAL BUDGET – GENERAL FUND**

Year Ended June 30, 2019

Original Budget	\$ 32,809,723
Add: Prior Year Encumbrances	<u>157,168</u>
Modified Budget	<u><u>\$ 32,966,891</u></u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

REAL PROPERTY TAX LAW LIMIT – GENERAL FUND

Year Ended June 30, 2019

2019-20 Subsequent Year's Voter Approved Expenditure Budget		<u>\$ 32,854,385</u>
Maximum Allowed (4% of 2019-20 Budget)		<u>\$ 1,314,175</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted Fund Balance:		
Committed Fund Balance	\$ 0	
Assigned Fund Balance	475,218	
Unassigned Fund Balance	<u>3,498,722</u>	
Total Unrestricted Fund Balance	<u>\$ 3,973,940</u>	
Less:		
Appropriated Fund Balance	\$ 150,329	
Insurance Recovery Reserve	476,641	
Tax Reduction Reserve	0	
Encumbrances Included in Committed and Assigned Fund Balance	<u>324,889</u>	
Total Adjustments	<u>\$ 951,859</u>	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		<u>\$ 3,022,081</u>
Actual Percentage		<u>9.20%</u>

See notes to financial statements.

SCHEDULE OF PROJECT EXPENDITURES – CAPITAL PROJECTS FUND

Year Ended June 30, 2019

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Buses 2019	\$ 465,000	\$ 465,000	\$ 0	\$ 427,430	\$ 427,430	\$ 37,570
Buses 2018	0	0	0	0	0	0
Buses 2017	0	0	0	0	0	0
Capital Reserve 2010	0	0	0	0	0	0
Renovation Phase I & II	4,000,000	4,000,000	2,290,917	1,040,120	3,331,037	668,963
High School PA System	0	0	0	0	0	0
Smart School Bonds	2,067,182	2,067,182	158,976	236,516	395,492	1,671,690
Security Safety Improvement	2,000,000	2,000,000	0	262,258	262,258	1,737,742
Elementary & High School Glycol Project	0	0	0	0	0	0
TOTALS	<u>\$ 8,532,182</u>	<u>\$ 8,532,182</u>	<u>\$ 2,449,893</u>	<u>\$ 1,966,324</u>	<u>\$ 4,416,217</u>	<u>\$ 4,115,965</u>

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

Methods of Financing

Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2018
\$ 465,000	\$ 0	\$ 25	\$ 465,025	\$ 37,595
0	0	0	0	5,756
0	0	0	0	24,095
0	0	0	0	1,066
0	0	4,000,000	4,000,000	668,963
0	0	0	0	134
0	371,059	0	371,059	(24,433)
0	0	0	0	(262,258)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,931</u>
<u>\$ 465,000</u>	<u>\$ 371,059</u>	<u>\$ 4,000,025</u>	<u>\$ 4,836,084</u>	<u>\$ 453,849</u>

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

Year Ended June 30, 2019

Capital Assets, Net		\$ 47,882,546
Deduct:		
Short-Term Portion of Bonds Payable	1,965,000	
Long-Term Portion of Bonds Payable	<u>11,595,000</u>	<u>13,560,000</u>
Investment in Capital Assets, Net of Related Debt		<u><u>\$ 34,322,546</u></u>

See notes to financial statements.



Dermody, Burke & Brown, CPAs, LLC

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

**BOARD OF EDUCATION
ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT**

We have audited, 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, the financial statements of the governmental activities and each fund of **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT** (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 8, 2019.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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.

DERMODY, BURKE & BROWN

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

October 8, 2019