

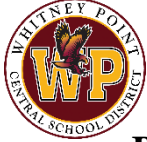
**PRELIMINARY OFFICIAL STATEMENT**

**NEW/RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. For a more complete discussion of the tax aspects, see "Tax Matters" herein.*

*The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.*



**\$1,233,764**

**WHITNEY POINT CENTRAL SCHOOL DISTRICT  
BROOME, CHENANGO, CORTLAND AND TIOGA COUNTIES, NEW YORK**

**GENERAL OBLIGATIONS**

**\$1,233,764 Bond Anticipation Notes, 2021**

(the "Notes")

**Dated: August 12, 2021**

**Due: August 12, 2022**

The Notes are general obligations of the Whitney Point Central School District, Broome, Chenango, Cortland and Tioga Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for one necessary odd denomination which is or includes \$8,764, as may be determined by such successful bidder.

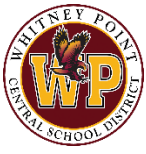
Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$8,764, as may be determined by such successful bidder. If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, or about August 12, 2021.

**ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on July 29, 2021 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.**

July 15, 2021

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.



# WHITNEY POINT CENTRAL SCHOOL DISTRICT

BROOME, CHENANGO, CORTLAND AND TIOGA COUNTIES, NEW YORK

## SCHOOL DISTRICT OFFICIALS

### 2021-2022 BOARD OF EDUCATION

STEPHANIE CHAMPNEY

President

KATHLEEN DRISCOLL

Vice President

DONETTE GRIFFITH  
BRIAN JEKER  
EDDIE MASLIN  
THOMAS TASBER  
DR. CHRISTINE WIDDALL

\* \* \* \* \*

### ADMINISTRATION

JO-ANN SEXTON  
Superintendent of Schools

SHANNON GILLETTE  
Assistant Superintendent

ZACHARY WOODARD  
School Business Executive

STACEY FORKEY  
District Clerk

WENDY HUGHES  
Tax Collector

 **Coughlin &  
Gerhart LLP**  
Local Attorney



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

THE LAW OFFICES OF JEFFREY E. STORCH  
Bond Counsel

No person has been authorized by the Whitney Point Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Whitney Point Central School District.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**of the**  
**WHITNEY POINT CENTRAL SCHOOL DISTRICT**  
**BROOME, CHENANGO, CORTLAND AND TIOGA COUNTIES, NEW YORK**  
**Relating To**  
**\$1,233,764 Bond Anticipation Notes, 2021**

This Official Statement, which includes the cover page and appendices, has been prepared by the Whitney Point Central School District, Broome, Chenango, Cortland and Tioga Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$1,233,764 principal amount of Bond Anticipation Notes, 2021 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

**NATURE OF OBLIGATION**

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words,

“faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

## THE NOTES

### Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes will be dated August 12, 2021 and will mature on August 12, 2022. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the purchaser(s) either (i) requested in the name of the purchaser, in certificated denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$8,764, as may be determined by the successful bidder(s); or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

## No Optional Redemption

The Notes are not subject to redemption prior to maturity.

## Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and various serial bond resolutions adopted by the Board of Education as follows.

Purpose	Authorization Date	Amount Outstanding	Paydown	New Money	Notes to be Issued
Purchase of Buses	7/11/2017	\$ 157,122	\$ 78,561	\$ -	\$ 78,561
Purchase of Buses	7/10/2018	269,922	89,974	-	179,948
Purchase of Buses	7/9/2019	329,834	82,458	-	247,376
Purchase of Buses	7/7/2020	427,356	147,356	-	280,000
Purchase of Buses	7/6/2021	-	-	447,879	447,879
Totals:		\$ 1,184,234	\$ 398,349	\$ 447,879	\$ 1,233,764

The proceeds of the Notes, along with \$477,402 in available funds, will (i) redeem and renew the \$1,263,287 bond anticipation notes maturing on August 13, 2021 and (ii) provide certain new monies, all for the aforementioned purpose.

## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Notes**

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$8,764. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

## **THE SCHOOL DISTRICT**

### **General Information**

The District is located in upstate New York and is situated principally in the County of Broome, with small portions situated in Chenango, Cortland and Tioga Counties. The City of Binghamton is approximately 20 miles south; Cortland, 25 miles north; and Ithaca, 30 miles west. The District encompasses approximately 140 square miles of land area. Major highways of service to the District include Interstate Route 81 and State highways 26, 79 and 206.

The District is principally residential and agricultural in nature. Professional and commercial services are available to residents in the Village of Whitney Point and in the nearby Cities of Binghamton, Cortland and Ithaca. Commercial banking services are provided by M & T Bank, JPMorgan Chase Bank, N.A., and NBT Bank, N.A.

Many of the residents are employed in the more than 350 manufacturing firms in Broome County. Such firms include Endicott Interconnect Technologies, supplying advanced electronic packaging solutions, including printed circuit board fabrication, semiconductor packaging and assembly service; International Business Machines Corporation, manufacturing data-processing equipment and computer circuits; Lockheed Martin, providing systems engineering, software development and complex program management for global security, civil and commercial markets; BAE, a global defense, security and aerospace company delivering products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and support; The Allied Amphenol Products, manufacturing electronic equipment; Universal Instruments Corporation, manufacturing printed circuit board assembly machines, component preparation machines and semi-automatic wire-termination machines; and the Raymond Corporation, manufacturing narrow-aisle electric fork lift trucks. Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Source: District officials.

### **Population**

The current estimated population of the District is 8,731. (Source: 2019 U.S. Census Bureau estimate)

### **Five Largest Employers**

The following are the five larger employers located within or in close proximity to the District.

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
Binghamton University	Education	5,493
United Health Services	Healthcare	5,428
Lockheed Martin	Engineering	2,700
Lourdes Hospital	Healthcare	2,311
BAE Control Systems	Manufacturing	1,300

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## Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns, the Counties, and the State listed below. The figures set below with respect to such Towns, Counties and the State are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns, the Counties or the State are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Towns of:						
Barker	\$ 16,192	\$ 23,608	\$ 32,183	\$ 39,267	\$ 60,357	\$ 81,125
Chenango	22,431	29,219	35,782	54,381	67,379	79,846
Lisle	14,395	21,595	24,445	37,639	55,000	60,476
Maine	17,773	22,220	28,675	42,514	54,306	72,588
Nanticoke	15,643	20,624	26,322	39,545	53,269	65,333
Triangle	15,734	22,335	28,096	41,220	64,118	69,688
Greene	17,640	22,941	31,453	41,943	55,086	77,984
Smithville	15,074	21,804	24,306	37,361	55,208	49,167
Lapeer	15,484	18,373	19,985	36,250	47,083	65,938
Willet	15,552	16,272	22,083	37,500	42,250	62,143
Richford	15,331	20,318	25,004	38,750	55,156	66,250
Counties of:						
Broome	19,168	24,314	28,699	45,422	57,545	68,775
Chenango	16,427	22,036	27,708	39,711	52,229	62,662
Cortland	16,662	22,078	28,229	42,204	57,743	70,192
Tioga	18,673	24,596	31,822	46,509	59,907	77,901
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Source: 2000 U.S. Census Bureau, and 2006-2010 and 2015-2019 5-Year American Community Survey estimates.

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

## Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are the Counties listed below. The information set forth below with respect to the Counties and State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the District is necessarily representative of the Counties or State, or vice versa.

	<u>Annual Average</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Broome County	6.6%	6.0%	5.4%	5.6%	4.9%	4.5%	8.7%
Chenango County	6.2	5.5	5.0	5.4	4.7	4.3	6.9
Cortland County	6.5	5.9	5.7	5.9	5.1	4.7	7.9
Tioga County	6.1	5.5	5.1	5.2	4.4	4.0	7.8
New York State	6.3	5.3	4.8	4.7	4.1	3.8	10.0

	<u>2021 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>
Broome County	7.5%	7.8%	6.9%	5.7%	5.0%	N/A	N/A
Chenango County	6.3	6.8	6.3	5.1	4.2	N/A	N/A
Cortland County	7.4	7.5	6.9	5.6	4.8	N/A	N/A
Tioga County	6.3	6.8	6.1	4.7	4.2	N/A	N/A
New York State	9.4	9.7	8.4	7.7	6.9	N/A	N/A

Note: Unemployment rates for June and July 2021 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

## **Form of School Government**

The Board of Education of the District (the “Board” or “Board of Education”), the policy-making body of the District, consists of seven members each with overlapping three-year terms so that as nearly an equal number as possible is elected to the Board each year. Each Board member must be a qualified voter of the District. The President (and chief fiscal officer of the District) and the Vice President of the Board of Education are selected from among the Board members.

## **Budgetary Procedures**

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

## ***Recent Budget Vote Results***

The budget for the 2020-21 fiscal year was adopted by the qualified voters on June 16, 2020 by a vote of 562 to 323. The District’s adopted budget for the 2020-21 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 2.16%, which was within the District tax levy limit of 2.16%.

The budget for the 2021-22 was approved by District voters on May 18, 2021 by a vote of 305 to 59. The District’s budget for the 2021-22 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.21%, which is within the District’s allowable limit of 1.21%.

## **Investment Policy**

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits in excess of the amount insured under the Federal Deposit Insurance Act be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations of agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

## State Aid

The District receives financial assistance from the State. In its adopted budget for the 2021-2022 fiscal year, approximately 75.28% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. It was anticipated that the State would be required to take certain gap-closing actions, including, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. However, based on published reports of the State 2021-22 Enacted Budget, it appears that the State will not delay or reduce payments of State aid to school districts, including the School District.

The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

On April 25, 2020, the State Division of the Budget (the "DOB") announced the release of the State's Fiscal Year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), which projected a \$13.3 billion (14%) shortfall in State revenues from the Executive Budget Forecast that was released in January and estimated a \$61 billion decline through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by \$10.1 billion from the Executive Budget. This represents a \$7.3 billion reduction in State spending from FY 2020 levels.

On August 13, 2020, the DOB released a first quarter update to the Financial Plan, with a revised projection of a \$14.5 billion shortfall, over \$1 billion more than was projected in April. The updated Financial Plan also noted that, in the absence of additional federal aid, the DOB began withholding 20 percent of most local aid payments in June, pursuant to the withholding authority granted in the fiscal year 2021 enacted budget. As of the date of this Official Statement, the DOB has not converted such withholds to permanent reductions, but the DOB has stated that such a conversion may be made depending on the size and timing of new federal aid, if any.

On October 30, 2020, the DOB released a mid-year update, with a revised projection of a \$14.9 billion shortfall. This update noted that the State had reduced spending through September by \$4.3 billion compared to fiscal year 2020 spending over the same period through freezing hiring, new contracts and pay raises, and through the 20% withholding of payments that began in June.

Source: NYS Dept. Of Education, State Aid Website. This source pertains only to the DOB updates detailed in the paragraphs above. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In the event of a mid-year reduction of State aid, deficiency notes may be issued under certain circumstances.

#### *Potential reductions in Federal aid received by the State*

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise such as the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

#### *Building aid*

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 96.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

#### *State aid history*

State aid to school districts within the State had declined in some prior years before increasing again in more recent years.

*School district fiscal year (2016-2017):* The 2016-17 State budget included a school aid increase of \$991 million over 2015-16, \$863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids (\$408 million), the budget also included a \$266 million increase in Foundation Aid and an \$189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included \$100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District received \$152,109 in State aid (in the form of Foundation aid) to be used on community schools activities. The District was a part of the Community Schools Grant Initiative (CSGI) and received \$152,109 in grant monies from the State.

*Gap Elimination Adjustment (GEA).* The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called “Deficit Reduction Assessment”) as a way to help close the State’s then \$10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to \$5,718,384. The District was forced to deliver programs in new and creative ways while based on student-driven needs, including the increasing of taxes. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

*School district fiscal year (2017-2018):* The State 2017-2018 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-2018 Enacted Budget allowed the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

*School district fiscal year (2018-2019):* The State’s 2018-2019 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately \$859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at \$26.03 billion statewide, a 3.4% increase over the prior year. The State’s 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State’s 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. \$50 million of the Foundation Aid increase was “set aside” for certain school districts to fund community schools. The State’s 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-2019. The State 2018-2019 Enacted Budget continued to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

*School district fiscal year (2019-2020):* The State’s 2019-2020 Enacted Budget includes a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6 percent and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

*School district fiscal year (2020-2021):* Due to the extraordinary challenges from the COVID-19 health crisis creating a \$10 billion loss in revenue to the State, the State's Enacted 2020-2021 Budget included a total of \$27.9 billion State aid, which was essentially the same amount of State aid to school districts included in the State's 2019-2020 Enacted Budget. The State's Enacted 2020-2021 Budget included a "pandemic adjustment" for each school district, a reduction in State funding that matched how much school districts expected to receive from the federal CARES stimulus program. In addition, the State's Enacted 2020-2021 Budget authorized the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget became unbalanced because revenues fell below projections or expenditures rose above projections during a given period. The proposed reductions were to be shared with the State Legislature which would then have 10 days to prepare and adopt their own plan. If the State Legislature did not do so, the Budget Director's proposed reductions would go into effect automatically.

*School district fiscal year (2020-2021):* The State's 2020-2021 Enacted Budget included a year-to-year funding increase for State aid of \$95.0 million or .035% percent. Foundation Aid to school districts was frozen at the same level as the 2019-2020 fiscal year; while other aids, calculated according to formulas in current law, were responsible for the increase. The State's 2020-2021 Enacted Budget included \$10 million in new funding for grants to school districts for student mental health services. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation from the 2019-2020 year. The reduction is being referred to as a "Pandemic Adjustment". However, the decrease in State aid was expected to fully offset by an allocation received by the State of funds from the recently approved federal stimulus bill. Absent the federal stimulus funds, there would have been a \$1.127 billion decrease in State aid from the 2019-2020 year. In addition, the State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

*School district fiscal year (2021-2022):* The State's 2021-22 Budget included \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

#### *State Aid Litigation*

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

### State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2015-2016	\$ 32,406,907	\$ 23,477,245	72.45%
2016-2017	32,584,341	23,450,888	71.97
2017-2018	34,162,167	25,042,642	73.31
2018-2019	36,130,571	26,926,530	74.53
2019-2020	36,841,304	27,498,764	74.64
2020-2021 (Budgeted)	36,772,264	27,633,822	75.15
2020-2021 (Unaudited)	36,954,436	27,693,025	74.94
2021-2022 (Budgeted)	37,341,311	28,112,280	75.28

<sup>(1)</sup> Includes inter-fund transfers.

Source: Audited financial statements for the 2015-2016 through and including the 2019-2020 fiscal year, estimates for the fiscal year ending June 30, 2021, and the adopted budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

### District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Caryl E. Adams School	K-3	640	1960, '87, '07
Middle School	4-8	985	1935, '55, '59, '07
Senior High School	9-12	455	1966, '91, '07

Source: District officials.

### Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2016-2017	1,410	2021-2022	1,400
2017-2018	1,393	2022-2023	1,400
2018-2019	1,413	2023-2024	1,400
2019-2020	1,386	2024-2025	1,400
2020-2021	1,359	2025-2026	1,400

Source: District officials.

## Employees

The District employs a total of 272 full-time and 45 part-time employees with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
150	New York State United Teachers	June 30, 2024
7	Whitney Point CSD Administrators' Association	June 30, 2024
57	Whitney Point CSD Bus Drivers' Association	June 30, 2022
9	Whitney Point CSD Clerical Association	June 30, 2022
69	Whitney Point CSD Staff Organization Association	June 30, 2021 <sup>(1)</sup>
19	Whitney Point CSD Custodians' Association	June 30, 2022

<sup>(1)</sup> Currently under negotiation.

Source: District officials.

## Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted and/or unaudited figures for the 2020-2021 and 2021-2022 fiscal year are as shown on the following page:



<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2015-2016	\$ 448,178	\$ 1,369,170
2016-2017	345,513	993,809
2017-2018	407,850	1,241,042
2018-2019	388,409	1,025,019
2019-2020	405,233	1,099,270
2020-2021 (Budgeted)	391,014	965,174
2020-2021 (Unaudited)	382,430	898,858
2021-2022 (Budgeted)	463,154	1,009,399

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs for its employees. The District currently does not have early retirement incentive programs for its employees. The District has an early retirement incentive built into the New York State United Teachers unit's contract. The District pays a certain dollar amount for any unused sick days for anyone who retires in their first year of eligibility. The maximum of this benefit is \$25,000 per teacher, and each year 1 to 8 teachers participate. For the 2015-2016 fiscal year, the District expended \$50,600, for 2016-2017 it expended \$166,000, for 2017-2018 it expended \$192,375, for 2018-2019 it expended \$20,000, for 2019-2020 it expended \$146,740, and for 2020-2021 it expended \$207,000. Other than as stated, the District did not offer any additional retirement incentives for the 2020-2021 fiscal year.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2017 to 2021) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2016-17	15.5%	11.72%
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

**Stable Rate Pension Contribution Option:** The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allowed school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund at the June 18, 2019 Board of Education meeting.

## **Other Post Employee Benefits**

**Healthcare Benefits.** It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

**OPEB.** OPEB refers to "other post-employment benefits," meaning other than pension benefits, and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

**GASB 75.** In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Questar III BOCES, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2019 and 2020.

The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

Balance beginning at:	June 30, 2018	June 30, 2019
	<u>\$ 82,142,867</u>	<u>\$ 82,275,088</u>
<u>Changes for the year:</u>		
Service cost	3,001,439	2,446,779
Interest	2,515,681	2,918,404
Differences between expected and actual experience	2,812,622	-
Changes in benefit terms	(598,218)	-
Changes in assumptions or other inputs	(5,003,613)	15,500,951
Benefit payments	<u>(2,595,690)</u>	<u>(2,700,978)</u>
Net Changes	<u>\$ 132,221</u>	<u>\$ 18,165,156</u>
Balance ending at:	June 30, 2019	June 30, 2020
	<u><b>\$ 82,275,088</b></u>	<u><b>\$ 100,440,244</b></u>

Note: The above table is not audited. For additional information see "APPENDIX – D" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

## Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

## Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2020 and is attached hereto as "APPENDIX – D". The audit report covering the period ending June 30, 2021 is unavailable as of the date of this Official Statement. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

### *Unaudited Results of Operations for Fiscal Year Ending June 30, 2021*

The District expects to conclude the fiscal year ending June 30, 2021 with an unappropriated unreserved fund balance of approximately \$1,419,416. Summary unaudited projected information for the General Fund for the period ending June 30, 2021 is as follows:

Projected Revenues:	\$	36,954,436
Projected Expenditures:		38,866,419
Projected Excess (Deficit) Revenues Over Expenditures:	\$	<u>(1,911,983)</u>
Total Fund Balance at June 30, 2020:	\$	8,068,0148
Total Projected General Fund Balance at June 30, 2021:	\$	6,156,165

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Source: District officials.

## New York State Comptroller's Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on December 9, 2016. The purpose of the audit was to determine whether the Board of Education (the "Board") ensured that the central treasurer properly accounted for extra-classroom cash receipts and disbursements for the period July 1, 2014 through January 31, 2016.

### Key Findings:

- The Board did not establish adequate policies and procedures to ensure receipts from all events were deposited, and the treasurer did not ensure the faculty advisors followed the established, informal procedures.
- A faculty advisor improperly deposited the money from a number of fundraisers and end-of-year contests into her personal account before remitting to the treasurer.

### Key Recommendations:

- Update adopted policies, establish formal procedures and ensure that policies and procedures are followed to provide reasonable assurance that money is properly safeguarded.
- Ensure faculty advisors do not deposit money into their personal bank accounts.

The District provided a complete response to the State Comptroller's office on November 22, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptroller audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

## The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2020	No Designation	16.7%
2019	No Designation	13.3%
2018	No Designation	10.0%

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

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## TAX INFORMATION

### Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Barker	\$ 85,980,569	\$ 86,077,756	\$ 86,319,088	\$ 86,739,750	\$ 87,024,403
Chenango	22,242,822	22,304,153	22,073,640 <sup>(1)</sup>	22,003,067	22,075,256
Lisle	85,022,519	85,084,282	85,352,383	85,589,847	85,563,607
Maine	1,745,323	1,773,145	1,801,440	1,826,972	1,821,074
Nanticoke	40,349,955	40,477,467	40,457,723	40,398,383	40,296,053
Triangle	134,476,813	133,837,404	134,370,507 <sup>(2)</sup>	135,098,790	135,817,146
Greene	21,687	21,687	21,675	21,679	21,671
Smithville	647,938	647,920	647,368	647,925	637,121
Lapeer	57,800	526,700	526,700	519,200	539,200
Willet	916,313	916,229	942,479	939,721	901,996
Richford	5,542,981	5,645,541	5,712,728	5,626,683	5,632,552
Total Assessed Values	<u>\$ 377,004,720</u>	<u>\$ 377,312,284</u>	<u>\$ 378,225,731</u>	<u>\$ 379,412,017</u>	<u>\$ 380,330,079</u>

### State Equalization Rates

Towns of:					
Barker	100.00%	100.00%	100.00%	100.00%	100.00%
Chenango	70.00%	70.00%	70.00%	67.00%	65.25%
Lisle	100.00%	100.00%	100.00%	98.30%	97.00%
Maine	64.00%	65.00%	65.00%	61.00%	60.00%
Nanticoke	57.50%	58.00%	57.00%	56.70%	55.00%
Triangle	100.00%	100.00%	100.00%	100.00%	97.00%
Greene	100.00%	100.00%	100.00%	95.00%	87.00%
Smithville	58.78%	59.00%	58.00%	58.00%	58.00%
Lapeer	99.50%	99.50%	99.50%	94.00%	94.00%
Willet	90.00%	90.00%	90.00%	87.00%	85.00%
Richford	98.00%	98.00%	98.00%	98.00%	92.00%
Total Taxable Full Valuation	<u>\$ 418,012,579</u>	<u>\$ 417,807,161</u>	<u>\$ 419,869,344</u>	<u>\$ 424,507,290</u>	<u>\$ 434,264,989</u>

<sup>(1)</sup> Includes a \$3,000 clergy exemption.

<sup>(2)</sup> Includes a \$1,500 clergy exemption.

### Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Barker	\$ 18.77	\$ 19.06	\$ 19.26	\$ 19.48	\$ 19.46
Chenango	26.82	27.23	27.51	29.09	29.82
Lisle	18.77	19.06	19.26	19.82	20.06
Maine	29.33	29.31	29.63	31.94	32.43
Nanticoke	32.65	32.86	33.78	34.36	35.38
Triangle	18.77	19.09	19.26	19.49	20.06
Greene	18.77	19.06	19.26	20.51	22.36
Smithville	31.94	32.30	33.20	33.59	33.55
Lapeer	18.87	19.15	19.35	20.73	20.70
Willet	20.86	21.17	21.40	22.40	22.89
Richford	19.16	19.44	19.65	19.88	21.15

## Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge during the month of September, but a 2% penalty is charged during the month of October, and then a penalty of 3% is charged from November 1st to November 2<sup>nd</sup>. After November, uncollected taxes plus penalties are returnable to the respective Counties for collection. The District receives these amounts from the respective Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

## Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy	\$ 7,853,813	\$ 7,961,608	\$ 8,085,410	\$ 8,271,434	\$ 8,449,720
Amount Uncollected <sup>(1)</sup>	601,310	593,327	606,213	638,333	621,810
% Uncollected	7.66%	7.45%	7.50%	7.72%	7.36%

<sup>(1)</sup> District taxes are made whole by the respective Counties. See "Tax Collection Procedure" herein.

## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues <sup>(1)</sup></u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2015-2016	\$ 32,406,907	\$ 6,145,522	18.96%
2016-2017	33,384,341	6,299,189	19.33
2017-2018	34,162,167	6,424,763	18.81
2018-2019	36,130,571	6,571,896	18.19
2019-2020	36,841,304	6,810,828	18.49
2020-2021 (Budgeted)	36,772,264	8,449,720	22.98
2020-2021 (Unaudited)	36,954,436	8,451,207	22.87
2021-2022 (Budgeted)	37,341,311	8,551,853	22.90

<sup>(1)</sup> Includes inter-fund transfers.

Source: Audited financial statements for the 2015-2016 through and including the 2019-2020 fiscal year, estimates for the fiscal year ending June 30, 2021, and the adopted budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

## Larger Taxpayers 2020 for 2020-2021 Tax Rolls

<u>Name</u>	<u>Type</u>	<u>Total Assessed Valuation</u>
NYS Electric & Gas Corporation	Utility	\$ 10,707,184
Glezen Farms Realty LLC	Farm	2,881,283
Whitney Point Estates	Mobile Home Park	2,610,900
Citizens Communications	Utility	2,311,632
Marvin Gregg	Grocery Store/Real Estate	1,905,900
Wp Carwash LLC	Real Estate Holding	1,603,500
Rerob, LLC	Convenience Store Developer	1,250,100
Meadowood MHP, LLC	Mobile Home Park	989,900
RD & HD Legacy LLC	Golf Course	793,368
Whittaker Realty, LLC	Farm	768,182

The ten larger taxpayers listed above have a total assessed valuation of \$25,821,949, which represents 6.79% of the tax base of the District.

As of the date of this Official Statement, the District currently does not have any pending or outstanding tax certioraris that are known or believed to have a material impact on the District.

Source: District Tax Rolls.

## STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities (“STAR Adjusted Gross Income”) of \$90,550 or less for 2021, increased annually according to a Cost-of-Living adjustment, are eligible for an “enhanced” exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of \$500,000 are eligible for a “basic” exemption on their primary residence.

The 2020-21 State Budget withheld STAR benefits to taxpayers who are delinquent in the payment of their school taxes and lowered the income limit for the exemption to \$200,000, compared with a \$500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Towns of</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Barker	\$ 70,700	\$ 30,000	4/9/2021
Chenango	46,130	19,580	4/9/2021
Lisle	68,580	29,100	4/9/2021
Maine	42,420	18,000	4/9/2021
Nanticoke	38,890	16,500	4/9/2021
Triangle	68,580	29,100	4/9/2021
Greene	61,510	26,100	4/9/2021
Smithville	41,010	17,400	4/9/2021
Lapeer	66,460	28,200	4/9/2021
Willet	60,100	25,500	4/9/2021
Richford	65,040	27,600	4/9/2021

\$1,437,679 of the District’s \$8,449,720 school tax levy for the 2020-2021 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2021.

Approximately \$1,485,000 of the District’s \$8,551,853 school tax levy for the 2021-2022 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January, 2022.

## Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

The total assessed valuation of the District is estimated to be categorized as follows: Residential - 82%; Commercial - 10%; and Agricultural - 8%.

The estimated total tax bill of a \$100,000 market value residential property located in the District is approximately \$1,946.

## TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).



Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020 unless extended; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, and is applicable to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

***Purpose and Pledge.*** The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

*Payment and Maturity.* Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized by the Board of Education and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

### **Statutory Procedure**

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

*Debt Limit.* The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the equalization rate which such assessed valuation bears to the full valuation; such rate is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such rate shall be determined.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
  - (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations
- and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

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**Debt Outstanding End of Fiscal Year**

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds <sup>(1)</sup>	\$ 30,240,000	\$ 26,475,000	\$ 23,040,000	\$ 27,500,000	\$ 23,585,000
Bond Anticipation Notes	1,895,263	10,709,014	11,150,976	1,165,976	1,263,287
Revenue Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 32,135,263	\$ 37,184,014	\$ 34,190,976	\$ 28,665,976	\$ 24,848,287

- <sup>(1)</sup> On November 9, 2017, the District issued \$10,930,000 refunding serial bonds through the DASNY to achieve budgetary and present value savings. The bonds listed above do not include \$11,345,000 of refunded 2011A serial bonds which will be fully redeemed as of their call date on October 1, 2021. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 15, 2021.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u> <sup>(1)</sup>	2020-2033	\$ 34,930,000
<u>Bond Anticipation Notes</u>		
Purchase of Buses	August 13, 2021	<u>1,263,287</u> <sup>(2)</sup>
Total Indebtedness		<u>\$ 36,193,287</u>

- <sup>(1)</sup> On November 9, 2017, the District issued \$10,930,000 refunding serial bonds through the DASNY to achieve budgetary and present value savings. The bonds listed above include \$11,345,000 of refunded 2011A serial bonds which will be fully redeemed as of their call date on October 1, 2021. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased.

- <sup>(2)</sup> To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$477,402 available funds of the District.

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## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 15, 2021:

Full Valuation of Taxable Real Property .....	\$ 434,264,989
Debt Limit 10% thereof .....	43,426,499

### Inclusions:

Bonds <sup>(1)</sup> .....	\$ 34,930,000
Bond Anticipation Notes .....	477,402
Principal of this Issue .....	<u>1,233,764</u>
Total Inclusions .....	<u>\$ 36,641,166</u>

### Exclusions:

State Building Aid <sup>(2)</sup> .....	<u>\$ 0</u>
Total Exclusions .....	<u>\$ 0</u>

Total Net Indebtedness .....	<u>\$ 36,641,166</u>
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Net Debt-Contracting Margin .....	<u>\$ 6,785,333</u>
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The percent of debt contracting power exhausted is .....	84.38%
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- (1) On November 9, 2017, the District issued \$10,930,000 refunding serial bonds through the New York State Dormitory Authority to achieve budgetary and present value savings. The bonds listed above include \$11,345,000 of refunded 2011A serial bonds which will be fully redeemed as of their call date on October 1, 2021. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased.
- (2) Based on preliminary 2021-2022 building aid estimates, the District anticipates State Building aid of 96.9% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

## Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

## Capital Project Plans

The District annually votes on the purchase of buses which are financed through the issuance of bond anticipation notes. On May 18, 2021, the voters of the District approved the purchase of (3) new 71-passenger diesel bus and (1) 7-passenger vehicle at an estimated total cost not to exceed \$447,879. The Notes are being issued, along with \$477,402 available funds of the District to partially redeem and renew the \$1,263,287 bond anticipation notes maturing August 13, 2021 and provide \$447,879 new money for the purchase of buses and vehicles.

On May 18, 2021 the District voters approved a capital project vote for a total cost of \$27.7M by a vote of 283 to 82. Funding for the project will come from \$2.75M of capital reserve funds and the remaining \$24,950,000 to come from bond anticipation notes and serial bonds. Construction for this project is expected to begin in 2023 with borrowings coming pursuant to state approval and construction cash flow needs.

The District has no authorized and unissued indebtedness for capital or other purposes other than as described above, nor are any contemplated at this time.

## Cash Flow Borrowings

The District has not found it necessary to issue a revenue anticipation note since the 2012-2013 fiscal year and does not anticipate issuing a revenue anticipation note for the foreseeable future.

## Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Broome	12/31/2019	\$ 144,175,458	\$ 7,496,458	\$ 136,679,000	3.64%	\$ 4,975,116
Chenango	12/31/2019	-	-	-	0.03%	-
Cortland	12/31/2019	30,217,882	4,079,175	26,138,707	0.04%	10,455
Tioga	12/31/2019	10,745,000	-	10,745,000	0.23%	24,714
Town of:						
Barker	12/31/2019	-	-	-	59.79%	-
Chenango	12/31/2019	7,720,299	4,947,667	2,772,633	4.50%	124,768
Lisle	12/31/2019	144,000	-	144,000	79.84%	114,970
Maine	12/31/2019	685,000	-	685,000	1.08%	7,398
Nanticoke	12/31/2019	215,054	114,254	100,800	95.43%	96,193
Triangle	12/31/2019	-	-	-	97.25%	-
Greene	12/31/2019	-	-	-	0.01%	-
Smithville	12/31/2019	-	-	-	1.26%	-
Lapeer	12/31/2019	19,053	19,053	-	0.64%	-
Willet	12/31/2019	92,857	-	92,857	2.09%	1,941
Richford	12/31/2019	-	-	-	8.26%	-
Village of:						
Lisle	5/31/2020	-	-	-	100.00%	-
Whitney Point	5/31/2020	4,982,744	4,678,789	303,956	100.00%	303,956
Total:						<u>\$ 5,659,510</u>

<sup>(1)</sup> Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.

<sup>(2)</sup> Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2018 and 2019.

## Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 15, 2021:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 36,641,166	\$ 4,196.67	8.44%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	42,300,676	4,844.88	9.74

<sup>(a)</sup> The current estimated population of the District is 8,731. (See "THE SCHOOL DISTRICT – Population" herein.)

<sup>(b)</sup> The District's full value of taxable real estate for the 2020-2021 fiscal year is \$434,264,989. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

<sup>(c)</sup> See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

<sup>(d)</sup> Estimated net overlapping indebtedness is \$5,659,510. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

**State Aid Intercept for School Districts.** In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

**General Municipal Law Contract Creditors' Provision.** Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in

which monies have been appropriated for debt service, but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

**No Past Due Debt.** No principal of or interest on District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “THE SCHOOL DISTRICT – State Aid”).

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes. See “Tax Levy Limitation Law” herein.

Current and future legislative proposals, if enacted into law, or clarification of the Internal Revenue Code of 1986, as amended (the “Code”), or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See “TAX MATTERS” herein.

Cybersecurity. The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID-19. An outbreak of disease or similar public health threat, such as the COVID-19-outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also "THE SCHOOL DISTRICT – State Aid" and – "COVID – 19").

## **TAX MATTERS**

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax and the Notes are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code; and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume (without verifying) the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the District's certifications and representations or the continuing compliance with the District's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the District may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The District has covenanted to take the actions required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market prices of the Notes.

Interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain "S corporations" (as defined in §1361(a)(1) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.



Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Noteowner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress, and legislation affecting the exemption of interest thereon for purposes of taxation by the State may be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes. As an example, in recent years Congress proposed budgets that could, among other things, result in additional federal income taxes on taxpayers that own tax-exempt obligations, such as the Notes, if they have incomes above certain thresholds.

These and other legislative proposals may be considered or introduced that could affect the market price or marketability of the tax-exempt obligations such as the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation court proceedings, or any new case law.

*PROSPECTIVE PURCHASERS OF THE NOTES AT OTHER THAN THEIR ORIGINAL ISSUANCE AT THE PRICE OF INDICATION ON THE COVER OF THIS OFFICIAL STATEMENT SHOULD ALSO CONSULT THEIR ADVISORS REGARDING OTHER TAX CONSEQUENCES, SUCH AS CONSEQUENCES OF MARKET DISCOUNT, AS TO ALL OF WHICH BOND COUNSEL EXPRESSES NO OPINION.*

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax status of interest on the Notes in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the District as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Notes.

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES**

### **Legal Matters**

Legal matters incident to the authorization, issuance, and sale of the Notes will be subject to the final approving opinion of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel to the District. Such opinions will be available at the time of delivery of and payment for the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the District, for the payment of which the District has validly pledged its faith and credit, and all the real property within the District subject to taxation by the District is subject to the levy by the District of ad valorem taxes, without limitation as to rate or amount, for payment of the principal of and interest on the Notes.

Said opinions will also contain further statements to the effect that, assuming continuing compliance with certain covenants and the accuracy of certain representations of the District contained in the records of proceedings relating to the authorization and issuance of the Notes, (a) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and the Notes are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, (b) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) the enforceability of the Notes is subject to bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion, and (d) the scope of the engagement of The Law Offices of Jeffrey E. Storch, as Bond Counsel in relation to the Notes, has extended solely to rendering the opinions expressed in said opinion, that said law firm is rendering no opinion other than the opinions expressly stated therein, and that said law firm expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes.

## **Closing Certificates**

Upon delivery of and payment for the Notes, the purchaser(s) of the Notes will also receive, without cost, in form satisfactory to Bond Counsel, the following dated as of the date of delivery of and payment for the Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes, (b) a certificate or certificates executed by the officer of the District who executed the Notes on behalf of the District, stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Notes, (2) no authority or proceedings for the issuance of the Notes has or have been repealed, rescinded or revoked, and (3) the statements contained in this Official Statement relating to the Notes, on the date thereof and on the date of delivery of and payment for the Notes, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (c) a Tax Compliance Certificate executed by the President of the Board of Education, (d) the unqualified legal opinions as to the validity of the Notes of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel and (e) a Continuing Disclosure Agreement relating to the Notes executed by the President of the Board for purposes of the Rule. See "Continuing Disclosure" below.

## **LITIGATION**

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

## **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as "APPENDIX – C".

## **Historical Compliance**

The District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

## **CUSIP IDENTIFICATION NUMBERS**

If the Notes are issued in book-entry-only format, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **RATING**

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: The District's contact information is as follows: Mr. Zachary Woodard, School Business Executive, Whitney Point Central School District, 10 Keibel Road, Whitney Point, New York 13862, Phone: (607) 692-8204 #2, Telefax: (607) 692-4434, Email Address: [ZWoodard@wpcsd.org](mailto:ZWoodard@wpcsd.org).

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**WHITNEY POINT CENTRAL SCHOOL DISTRICT**

**Dated: July 15, 2021**

**STEPHANIE CHAMPNEY  
PRESIDENT OF THE BOARD OF EDUCATION AND  
CHIEF FISCAL OFFICER**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending June 30:

	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>
<u><b>ASSETS</b></u>					
Unrestricted Cash	\$ 1,813,133	\$ 1,577,703	\$ 1,472,348	\$ 1,000,150	\$ 861,648
Restricted Cash	4,842,595	5,467,343	5,622,826	5,836,747	5,931,426
State and Federal Aid Receivable	587,320	671,062	585,606	903,767	784,029
Due from Other Funds	605,276	674,324	749,002	753,220	1,304,474
Taxes Receivable, Net	-	-	1,419	-	-
Due from Other Governments	771,475	823,630	865,550	1,016,620	1,009,812
Due from Fiduciary Funds	-	-	-	151,678	-
Prepaid Items	-	41,251	40,908	46,738	39,459
Other Receivables	96,904	159,804	236,543	34,885	161,091
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u><u>\$ 8,716,703</u></u>	<u><u>\$ 9,415,117</u></u>	<u><u>\$ 9,574,202</u></u>	<u><u>\$ 9,743,805</u></u>	<u><u>\$ 10,091,939</u></u>
<u><b>LIABILITIES AND FUND EQUITY</b></u>					
Accounts Payable	\$ 95,423	\$ 122,015	\$ 143,598	\$ 204,301	\$ 614,754
Accrued Liabilities	100,760	197,768	234,404	76,454	164,793
Due to Other Funds	-	107	88,292	-	28,690
Due to Fiduciary Funds	-	-	-	-	-
Revenue Anticipation Notes payable	-	-	-	-	-
Due to Teachers' Retirement Systems	1,427,216	1,309,660	1,103,757	1,170,409	1,003,731
Due to Employees' Retirement Systems	97,756	96,492	103,383	98,383	104,235
Overpayments & Collections in Advance	-	-	-	-	-
Unearned Revenue	160,166	207,588	207,588	-	-
Unavailable Revenue	-	-	-	207,588	207,588
Compensated Absences	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	<u><u>\$ 1,881,321</u></u>	<u><u>\$ 1,933,630</u></u>	<u><u>\$ 1,881,022</u></u>	<u><u>\$ 1,757,135</u></u>	<u><u>\$ 2,123,791</u></u>
<u><b>FUND EQUITY</b></u>					
Nonspendable	\$ -	\$ 41,251	\$ 40,908	\$ 46,738	\$ 39,459
Restricted	4,842,595	5,467,343	5,622,826	5,836,747	5,919,856
Assigned	650,168	638,633	604,696	638,099	658,904
Unassigned	1,342,619	1,334,260	1,424,750	1,465,086	1,449,929
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND EQUITY	<u><u>6,835,382</u></u>	<u><u>7,481,487</u></u>	<u><u>7,693,180</u></u>	<u><u>7,986,670</u></u>	<u><u>8,068,148</u></u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>\$ 8,716,703</u></u>	<u><u>\$ 9,415,117</u></u>	<u><u>\$ 9,574,202</u></u>	<u><u>\$ 9,743,805</u></u>	<u><u>\$ 10,191,939</u></u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending June 30:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>REVENUES</u></b>					
Real Property Taxes	\$ 6,024,753	\$ 6,145,522	\$ 6,299,189	\$ 6,424,763	\$ 6,571,896
Other Tax Items	1,563,129	1,601,451	1,574,931	1,553,648	1,540,623
Charges for Services	31,975	42,239	106,286	71,503	58,792
Use of Money & Property	133,183	137,913	141,996	191,203	173,953
Sale of Property and Compensation for Loss	39,703	31,480	17,804	32,518	93,464
Miscellaneous	890,387	913,137	933,994	677,019	571,570
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	23,188,659	23,477,245	23,450,888	25,042,642	26,926,530
Revenues from Federal Sources	60,660	57,920	59,253	68,871	92,743
Total Revenues	<u>\$ 31,932,449</u>	<u>\$ 32,406,907</u>	<u>\$ 32,584,341</u>	<u>\$ 34,062,167</u>	<u>\$ 36,029,571</u>
Other Sources:					
Interfund Transfers	<u>100,000</u>	<u>-</u>	<u>800,000</u>	<u>100,000</u>	<u>101,000</u>
Total Revenues and Other Sources	<u>\$ 32,032,449</u>	<u>\$ 32,406,907</u>	<u>\$ 33,384,341</u>	<u>\$ 34,162,167</u>	<u>\$ 36,130,571</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 2,613,821	\$ 2,493,653	\$ 2,768,277	\$ 2,801,666	\$ 2,890,958
Instruction	14,124,050	14,919,791	15,503,081	16,226,837	16,594,839
Pupil Transportation	1,557,941	1,523,424	1,464,794	1,663,439	1,754,049
Community Services	2,904	2,979	3,517	3,585	3,246
Employee Benefits	8,004,637	7,923,836	8,155,933	8,545,607	8,877,934
Debt Service	4,927,410	4,857,993	4,767,799	4,680,195	5,640,566
Total Expenditures	<u>\$ 31,230,763</u>	<u>\$ 31,721,676</u>	<u>\$ 32,663,401</u>	<u>\$ 33,921,329</u>	<u>\$ 35,761,592</u>
Other Uses:					
Interfund Transfers	<u>135,562</u>	<u>1,427,239</u>	<u>74,835</u>	<u>29,145</u>	<u>75,489</u>
Total Expenditures and Other Uses	<u>\$ 31,366,325</u>	<u>\$ 33,148,915</u>	<u>\$ 32,738,236</u>	<u>\$ 33,950,474</u>	<u>\$ 35,837,081</u>
Excess (Deficit) Revenues Over Expenditures	<u>666,124</u>	<u>(742,008)</u>	<u>646,105</u>	<u>211,693</u>	<u>293,490</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	6,911,266	7,577,390	6,835,382	7,481,487	7,693,180
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 7,577,390</u>	<u>\$ 6,835,382</u>	<u>\$ 7,481,487</u>	<u>\$ 7,693,180</u>	<u>\$ 7,986,670</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Fiscal Years Ending June 30:

	<b>2020</b>			<b>2021</b>	<b>2022</b>
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
<b><u>REVENUES</u></b>					
Real Property Taxes	\$ 8,271,434	\$ 6,823,712	\$ 6,810,828	\$ 8,449,720	\$ 8,551,853
Other Tax Items	30,000	1,477,722	1,483,107	-	-
Charges for Services	51,000	51,000	93,734	-	-
Use of Money & Property	162,600	162,600	167,611	-	-
Sale of Property and Compensation for Loss	30,000	30,000	34,943	-	-
Miscellaneous	419,500	419,500	542,359	688,722	677,178
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	27,523,755	27,523,755	27,498,764	27,633,822	28,112,280
Revenues from Federal Sources	68,000	68,000	93,932	-	-
Total Revenues	<u>\$ 36,556,289</u>	<u>\$ 36,556,289</u>	<u>\$ 36,725,278</u>	<u>\$ 36,772,264</u>	<u>\$ 37,341,311</u>
Other Sources:					
Interfund Transfers	116,026	116,026	116,026	-	-
Total Revenues and Other Sources	<u>\$ 36,672,315</u>	<u>\$ 36,672,315</u>	<u>\$ 36,841,304</u>	<u>\$ 36,772,264</u>	<u>\$ 37,341,311</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 3,191,182	\$ 3,177,129	\$ 2,971,369	\$ 3,069,432	\$ 3,176,193
Instruction	17,044,093	17,458,169	16,980,374	16,824,257	17,446,729
Pupil Transportation	1,913,595	1,783,196	1,688,568	1,921,719	1,939,904
Community Services	4,271	3,435	3,003	4,400	2,750
Employee Benefits	9,800,455	9,531,667	9,403,279	10,419,615	9,660,729
Debt Service	5,594,903	5,594,903	5,583,803	5,641,855	5,699,583
Total Expenditures	<u>\$ 37,548,499</u>	<u>\$ 37,548,499</u>	<u>\$ 36,630,396</u>	<u>\$ 37,881,278</u>	<u>\$ 37,925,888</u>
Other Uses:					
Interfund Transfers	147,000	147,000	129,430	147,000	147,000
Total Expenditures and Other Uses	<u>\$ 37,695,499</u>	<u>\$ 37,695,499</u>	<u>\$ 36,759,826</u>	<u>\$ 38,028,278</u>	<u>\$ 38,072,888</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,023,184)</u>	<u>(1,023,184)</u>	<u>81,478</u>	<u>(1,256,014)</u>	<u>(731,577)</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	1,023,184	1,023,184	7,986,670	1,256,014	731,577
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,068,148</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal	Interest	Total
2021	\$ 4,135,000	\$ 1,071,387.50	\$ 5,206,387.50
2022	3,715,000	891,712.50	4,606,712.50
2023	3,165,000	722,625.00	3,887,625.00
2024	3,275,000	577,012.50	3,852,012.50
2025	3,355,000	424,762.50	3,779,762.50
2026	1,050,000	268,762.50	1,318,762.50
2027	1,095,000	227,062.50	1,322,062.50
2028	945,000	183,450.00	1,128,450.00
2029	665,000	142,500.00	807,500.00
2030	690,000	109,250.00	799,250.00
2031	730,000	74,750.00	804,750.00
2032	765,000	38,250.00	803,250.00
<b>TOTALS</b>	<b>\$ 23,585,000</b>	<b>\$ 4,731,525.00</b>	<b>\$ 28,316,525.00</b>

Note: The bonds listed above do not include \$11,345,000 of refunded 2011A serial bonds which will be fully redeemed as of their call date on October 1, 2021. Debt service on the refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased.



**APPENDIX - B1**  
**Whitney Point CSD**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2010 Sanitary Sewer Project			2011A * DASNY - Construction		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 30,000	\$ 4,250.00	\$ 34,250.00	\$ 2,065,000	\$ 567,250.00	\$ 2,632,250.00
2023	35,000	2,975.00	37,975.00	2,170,000	464,000.00	2,634,000.00
2024	35,000	1,487.50	36,487.50	2,280,000	355,500.00	2,635,500.00
2025	-	-	-	2,390,000	241,500.00	2,631,500.00
2026	-	-	-	2,440,000	122,000.00	2,562,000.00
TOTALS	\$ 100,000	\$ 8,712.50	\$ 108,712.50	\$ 11,345,000	\$ 1,750,250.00	\$ 13,095,250.00

\* The 2022-2026 maturities were advanced refunded with the 2017F DASNY Refunding Bonds.  
The Bonds will be paid in full at their first call date on October 1, 2021.

Fiscal Year Ending June 30th	2015 Construction & Reconstruction			2016A DASNY - Refunding of 2008		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 430,000	\$ 87,037.50	\$ 517,037.50	\$ 1,085,000	\$ 77,250.00	\$ 1,162,250.00
2023	440,000	78,437.50	518,437.50	535,000	23,550.00	558,550.00
2024	450,000	69,637.50	519,637.50	-	-	-
2025	460,000	59,512.50	519,512.50	-	-	-
2026	470,000	48,012.50	518,012.50	-	-	-
2027	480,000	36,262.50	516,262.50	-	-	-
2028	495,000	23,062.50	518,062.50	-	-	-
2029	315,000	9,450.00	324,450.00	-	-	-
TOTALS	\$ 3,540,000	\$ 411,412.50	\$ 3,951,412.50	\$ 1,620,000	\$ 100,800.00	\$ 1,720,800.00

Fiscal Year Ending June 30th	2017F DASNY - Refunding of DASNY 2011A			2020A DASNY Bonds - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,000,000	\$ 532,100.00	\$ 2,532,100.00	\$ 590,000	\$ 370,750.00	\$ 960,750.00
2023	2,085,000	445,500.00	2,530,500.00	620,000	341,250.00	961,250.00
2024	2,190,000	341,250.00	2,531,250.00	490,000	310,250.00	800,250.00
2025	2,295,000	231,750.00	2,526,750.00	520,000	285,750.00	805,750.00
2026	2,340,000	117,000.00	2,457,000.00	545,000	259,750.00	804,750.00
2027	-	-	-	570,000	232,500.00	802,500.00
2028	-	-	-	600,000	204,000.00	804,000.00
2029	-	-	-	630,000	174,000.00	804,000.00
2030	-	-	-	665,000	142,500.00	807,500.00
2031	-	-	-	690,000	109,250.00	799,250.00
2032	-	-	-	730,000	74,750.00	804,750.00
2033	-	-	-	765,000	38,250.00	803,250.00
TOTALS	\$ 10,910,000	\$ 1,667,600.00	\$ 12,577,600.00	\$ 7,415,000	\$ 2,543,000.00	\$ 9,958,000.00

**MATERIAL EVENT NOTICES**

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the School District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Agreement to this effect shall be provided to the purchaser(s) at closing.

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**WHITNEY POINT CENTRAL SCHOOL DISTRICT  
BROOME, CHENANGO, CORTLAND AND TIOGA COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2020**

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

**Whitney Point, New York**

## **FINANCIAL REPORT**

**For the Year Ended  
June 30, 2020**



# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

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# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

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## **INDEPENDENT AUDITORS' REPORT**

Board of Education  
Whitney Point Central School District  
Whitney Point, New York

### **Report on the Financial Statements**

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

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, the Schedule of School District's Contributions - NYSLRS and NYSTRS Pension Plans, the Schedule of the School District's Proportionate Share of the Net Pension Asset/Liability, Schedule of Changes in the School District's Total OPEB Liability and Related Ratios, and related notes on pages 4-4j and 47-55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures - Capital Projects Fund, and Schedule of Net Investment in Capital Assets (supplementary information) on pages 56-58 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2020 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 9, 2020

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020**

The following is a discussion and analysis of Whitney Point Central School District's (the School District) financial performance for the fiscal year ended June 30, 2020. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- The School District's 2020 financial position showed a decrease in net position of \$4,448,965 compared to a net increase of \$2,144,570 in 2019.
- Revenues decreased by \$164,704 and expenses increased by \$6,428,831.
- Overall indebtedness of the School District, in the amount of \$32,679,240, decreased by \$4,425,088 from \$37,104,328 in 2019. This was due to payment on long-term debt.
- Total fund balance in the General Fund, including reserves, was \$8,068,148 at June 30, 2020. Restricted fund balance of \$5,919,856 consisted of General Fund restricted reserves; assigned fund balance of \$658,904 consisted of encumbrances of \$158,904 and appropriations to support the 2020-2021 budget of \$500,000. \$1,449,929 in unassigned fund balance is below the maximum limit (4% of 2020-2021 appropriations) permitted under New York State Real Property Tax Law.
- Capital asset additions during 2020 amounted to \$667,383. Depreciation expense totaled \$2,510,944.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

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

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020**

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year and a Schedule of Changes in the District's Total OPEB Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits, and information related to the School District's pension obligations.

### **District-wide Financial Statements**

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, 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 regardless of when cash is received or paid.

The two District-wide financial statements report the School District's net position and how it has changed. Net position (the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the School District's financial health or position. The recognition of other postemployment benefit liabilities will continue to be a factor affecting the School District's change in total net position reported. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

### **Governmental Fund Financial Statements**

The Governmental Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds not on the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The School District has two kinds of funds, defined as follows on the next page.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

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

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

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

*Figure 1*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2019</i>	<i>2020</i>	<i>2019 - 2020</i>
<i>Current Assets</i>	\$ 4,158,975	\$ 5,929,778	\$ 1,770,803
<i>Noncurrent Assets</i>	8,680,410	7,529,567	(1,150,843)
<i>Capital Assets, Net</i>	66,654,225	64,802,834	(1,851,391)
<b><i>Total Assets</i></b>	<b>\$ 79,493,610</b>	<b>\$ 78,262,179</b>	<b>\$ (1,231,431)</b>
<i>Pensions</i>	6,639,345	7,054,060	414,715
<i>Other Postemployment Benefits</i>	2,892,586	15,388,885	12,496,299
<i>Deferred Charges on Defeased Debt</i>	1,248,509	963,099	(285,410)
<b><i>Total Deferred Outflows of Resources</i></b>	<b>\$ 10,780,440</b>	<b>\$ 23,406,044</b>	<b>\$ 12,625,604</b>
<i>Current Liabilities</i>	16,663,945	7,871,296	(8,792,649)
<i>Noncurrent Liabilities</i>	105,849,509	130,705,623	24,856,114
<b><i>Total Liabilities</i></b>	<b>\$122,513,454</b>	<b>\$138,576,919</b>	<b>\$16,063,465</b>
<i>Pensions</i>	1,693,396	2,219,877	526,481
<i>Other Postemployment Benefits</i>	4,256,805	3,509,997	(746,808)
<b><i>Total Deferred Inflows of Resources</i></b>	<b>\$ 5,950,201</b>	<b>\$ 5,729,874</b>	<b>\$ (220,327)</b>
<i>Net Investment in Capital Assets</i>	30,942,587	33,086,693	2,144,106
<i>Restricted</i>	7,553,210	7,445,383	(107,827)
<i>Unrestricted</i>	(76,685,402)	(83,170,646)	(6,485,244)
<b><i>Total Net (Deficit)</i></b>	<b>\$ (38,189,605)</b>	<b>\$ (42,638,570)</b>	<b>\$ (4,448,965)</b>

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020**

Total assets decreased by 1.5%. This decrease stems from a reduction in capital assets, net, as depreciation expense exceeded capital outlay. The changes in current and noncurrent assets are the result of the classification of current and noncurrent cash.

Deferred outflows of resources increased 117.1% and deferred inflows of resources decreased 3.7%. These changes are a result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans as well as the School District's other postemployment benefits (OPEB) plan.

Total liabilities increased 13.1%. This change is primarily due to increases in the School District's proportionate share of the NYSLRS pension plan, as well as an increase in the OPEB liability. The change between current and noncurrent liabilities stems from conversion of short-term debt to long-term debt.

The School District experienced an increase in net investment in capital assets, primarily due to a net reduction in outstanding debt. Total net (deficit) increased 11.6% due to excess expenses over revenue.

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

**Figure 2**

<b><i>Changes in Net Position</i></b>	<b><i>Governmental Activities and Total School District</i></b>		<b><i>Total Dollar Change</i></b>
	<b><i>2019</i></b>	<b><i>2020</i></b>	<b><i>2019 - 2020</i></b>
<b><i>REVENUES</i></b>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 384,050	\$ 259,179	\$ (124,871)
<i>Operating Grants and Contributions</i>	2,987,221	3,215,961	228,740
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	6,571,896	6,810,828	238,932
<i>Real Property Tax Items</i>	1,540,623	1,483,107	(57,516)
<i>State Sources</i>	27,969,379	27,592,696	(376,683)
<i>Use of Money and Property</i>	324,734	215,226	(109,508)
<i>Other General Revenues</i>	533,342	569,544	36,202
<b><i>Total Revenues</i></b>	<b>\$ 40,311,245</b>	<b>\$40,146,541</b>	<b>\$ (164,704)</b>
<b><i>PROGRAM EXPENSES</i></b>			
<i>General Support</i>	\$ 3,814,816	\$ 4,575,556	\$ 760,740
<i>Instruction</i>	29,304,679	34,562,199	5,257,520
<i>Pupil Transportation</i>	3,014,632	3,272,366	257,734
<i>Community Services</i>	5,314	6,217	903
<i>School Lunch Program</i>	1,084,455	1,208,450	123,995
<i>Interest on Debt</i>	942,779	970,718	27,939
<b><i>Total Expenses</i></b>	<b>\$ 38,166,675</b>	<b>\$44,595,506</b>	<b>\$ 6,428,831</b>
<b><i>CHANGE IN NET POSITION</i></b>	<b>\$ 2,144,570</b>	<b>\$ (4,448,965)</b>	<b>\$ (6,593,535)</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

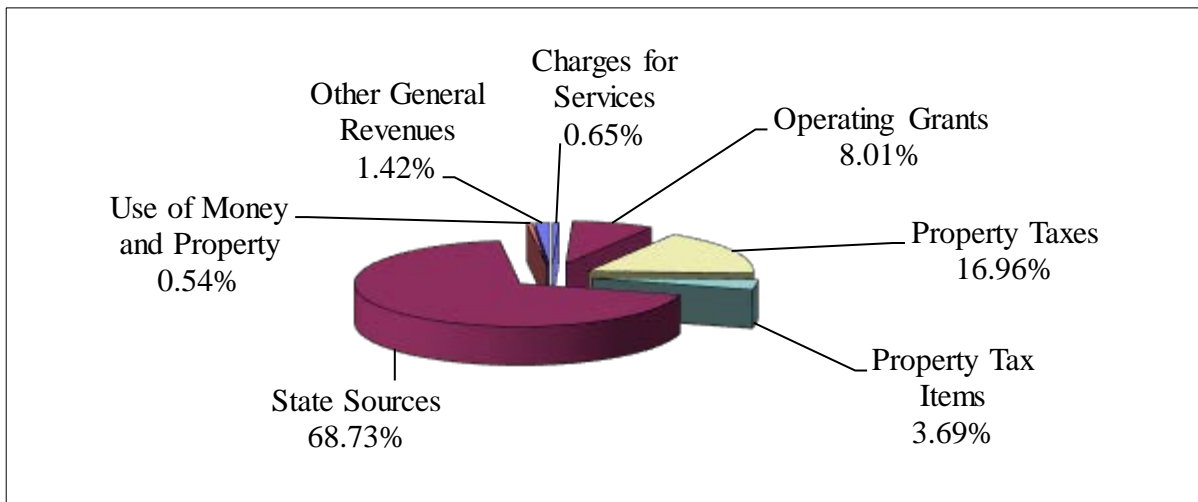
## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Total revenues decreased by 0.4%. This decrease was the result in a reduction in state sources, mainly smart bond funds received in the prior year, as well as a reduction in interest earnings on investments. This was partially offset by increases in the real property tax levy. Expenses increased by 16.8%. This change was the result of a net increase in OPEB and pension expense in comparison to expenses recorded in the prior year.

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

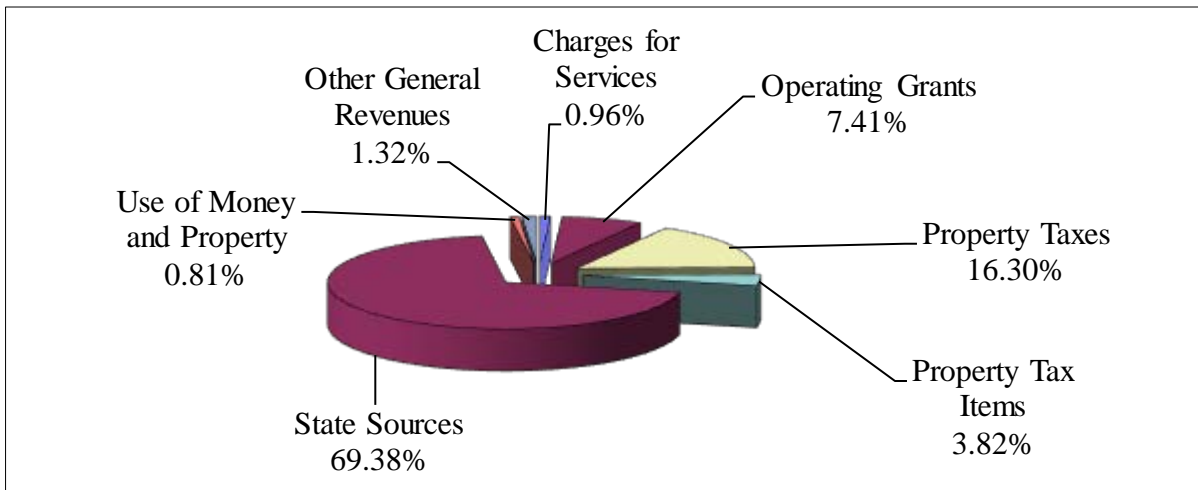
**Figure 3**

**Sources of Revenue for 2020**



**Figure 4**

**Sources of Revenue for 2019**



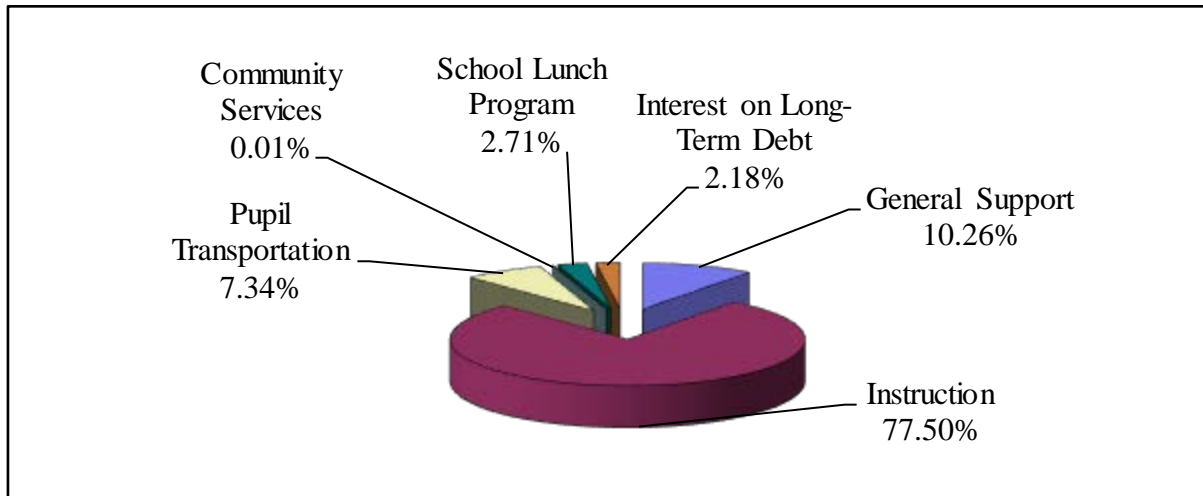
# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

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

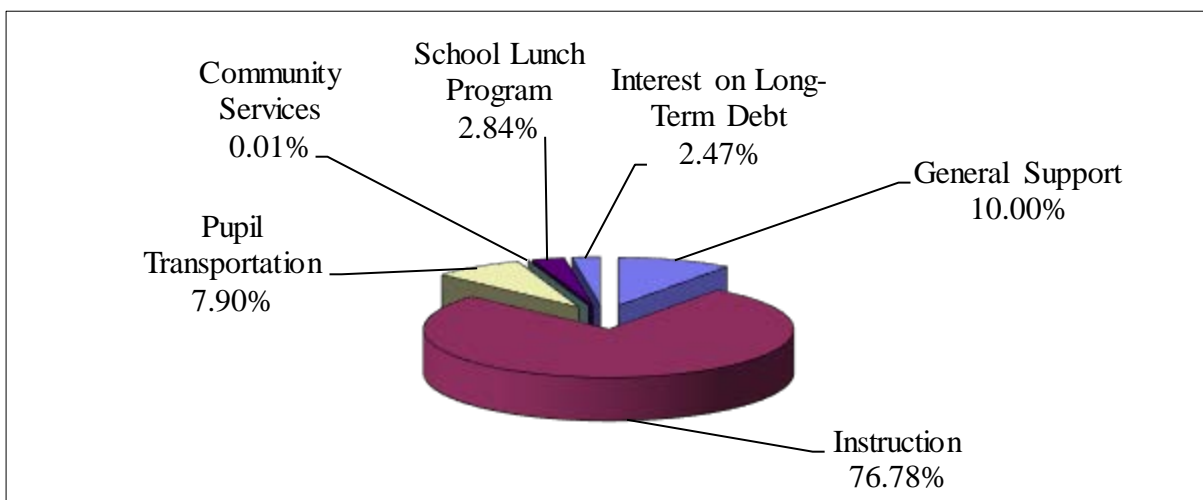
*Figure 5*

### *Cost of Programs for 2020*



*Figure 6*

### *Cost of Programs for 2019*





# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020**

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

Figure 7 shows the changes in fund balances for the year for the School District as a whole. The School District experienced an increase in total fund balance, which is primarily attributable to the conversion of short-term financing to long-term financing within the Capital Projects Fund.

*Figure 7*

<b><i>Governmental Fund Balances</i></b>	<b><i>2019</i></b>	<b><i>2020</i></b>	<b><i>Total Dollar Change 2019 - 2020</i></b>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 7,986,670	\$ 8,068,148	\$ 81,478
<i>School Lunch Fund</i>	62,680	34,628	(28,052)
<i>Debt Service Fund</i>	1,682,305	1,525,527	(156,778)
<i>Capital Projects Fund</i>	(10,842,089)	(1,162,719)	9,679,370
<b><i>Total Governmental Funds</i></b>	<b><i>\$ (1,110,434)</i></b>	<b><i>\$ 8,465,584</i></b>	<b><i>\$ 9,576,018</i></b>

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the School District budget was revised several times. These budget amendments consisted primarily of budget transfers between functions, which did not increase the overall budget.

Revenues and other financing sources were above the budgetary estimates by 0.46% while expenditures were below the revised budget by 2.1%. Expenditures were below revised appropriations largely as a result of lower than originally budgeted expenditures for employee benefits, general support, and instructional costs.

Figure 8 summarizes the original and final budgets, actual expenditures (including encumbrances), and variances for the year ended June 30, 2020.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

*Figure 8*

<i>Condensed Budgetary Comparison General Fund - 2020</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
<b>REVENUES</b>				
<i>Real Property Taxes</i>	\$ 8,271,434	\$ 6,823,712	\$ 6,810,828	\$ (12,884)
<i>Other Tax Items</i>	30,000	1,477,722	1,483,107	5,385
<i>Charges for Services</i>	51,000	51,000	93,734	42,734
<i>State Sources</i>	27,523,755	27,523,755	27,498,764	(24,991)
<i>Other, Including Financing Sources</i>	796,126	796,126	954,871	158,745
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 36,672,315</b>	<b>\$36,672,315</b>	<b>\$ 36,841,304</b>	<b>\$ 168,989</b>
<b>Appropriated Fund Balances</b>	<b>\$ 1,023,184</b>	<b>\$ 1,023,184</b>		
<b>EXPENDITURES</b>				
<i>General Support</i>	\$ 3,191,182	\$ 3,177,129	\$ 3,026,149	\$ 150,980
<i>Instruction</i>	17,044,093	17,458,169	17,056,466	401,703
<i>Pupil Transportation</i>	1,913,595	1,783,196	1,704,958	78,238
<i>Community Services</i>	4,271	3,435	3,435	-
<i>Employee Benefits</i>	9,800,455	9,531,667	9,414,489	117,178
<i>Debt Service</i>	5,594,903	5,594,903	5,583,803	11,100
<i>Other Financing Uses</i>	147,000	147,000	129,430	17,570
<b>Total Expenditures and Other Financing (Uses)</b>	<b>\$ 37,695,499</b>	<b>\$37,695,499</b>	<b>\$ 36,918,730</b>	<b>\$ 776,769</b>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2020, the School District had invested in a broad range of capital assets totaling \$96,742,035 offset by accumulated depreciation of \$31,939,201. *Figure 9* shows the changes in the School District's capital assets.

*Figure 9*

<i>Changes in Capital Assets</i>	<i>2019</i>	<i>2020</i>	<i>Total Dollar Change 2019 - 2020</i>
<i>Land</i>	\$ 12,730	\$ 12,730	\$ -
<i>Construction in Progress</i>	1,680,115	1,921,038	240,923
<i>Buildings, Net</i>	62,649,050	60,614,697	(2,034,353)
<i>Equipment, Net</i>	2,312,330	2,254,369	(57,961)
<b>Total</b>	<b>\$ 66,654,225</b>	<b>\$64,802,834</b>	<b>\$ (1,851,391)</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Capital asset activity for the year ended June 30, 2020 included the following:

Construction in Progress	\$ 240,923
Buses	408,902
Equipment	<u>17,558</u>
Total Additions	667,383
Less Net Book Value of Disposed Equipment	(7,830)
Less Depreciation Expense	<u>(2,510,944)</u>
<b>Net Change in Capital Assets</b>	<b><u>\$ (1,851,391)</u></b>

### Debt Administration

Figure 10 shows the changes in the School District's outstanding debt. Total indebtedness represented 67.5% of the constitutional debt limit.

*Figure 10*

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2019</i>	<i>2020</i>	<i>2019 - 2020</i>
<i>Serial Bonds</i>	\$26,118,058	\$ 31,513,264	\$ 5,395,206
<i>Bond Anticipation Notes</i>	10,986,270	1,165,976	(9,820,294)
<b><i>Total</i></b>	<b>\$37,104,328</b>	<b>\$ 32,679,240</b>	<b>\$ (4,425,088)</b>

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

The School District's bond rating is A+, which did not change from the prior year.

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2020**

### **FACTORS BEARING ON THE SCHOOL DISTRICT’S FUTURE**

- The adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,” requiring the School District to record a liability for a portion of the Actuarial Accrued Liability, will continue to be a factor affecting the School District’s change in total net position reported.
- The School District relies heavily on New York State aid to fund 73% of its programs. The majority of our other revenue comes from our tax base. As such, maintaining compliance with the New York State’s property tax cap has hindered the School District’s efforts in increasing its tax base to meet increasing operational costs. As this trend continues the School District will continue to implement cost saving efficiencies and planned utilization of fund balances to limit reliance on School District tax increases to fund operating expenses.
- Assessed property values in the District had a slight increase in property value from the previous year when comparing 2019-20 (\$379,407,517) to 2020-21 (\$380,325,579). The Town of Triangle had the largest increase in assessed value; from \$135,097,290 in 2019-20 to \$135,815,646 in 2020-21. This increase is primarily the result of new assessments on property improvements. Equalization rates range from 55.00% in the Town Naticoke to 100.00% in the Town of Barker.
- The School District has finalized our 2015 \$13,038,022 capital project referendum. In addition, the School District will continue to work on and put forth \$100,000 capital outlay project(s) within the School District budget. The 2020-21 capital outlay project will focus on security and door hardware at our Intermediate school. The 2020 building condition survey has been completed as required by SED and this scope of work is helping the district define our next capital project vote of approximately \$27.7 million dollars anticipated in May of 2021.
- The School District finalized our \$13,038,022 Capital Project borrowing to a DASNY Bond in the amount of \$7,875,000 on June 17, 2020 and our annual bus borrowing BAN of \$1,269,913 on August 13, 2020. The bus borrowing BAN continues to be part of our vehicle replacement strategy.
- The School District’s enrollment (K-12) fluctuates from year to year. The following is the actual and the projected enrollment data for the current and the subsequent year:

2019-2020 - 1,447  
2020-2021 - 1,403

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020**

- Over the last five years the School District has been awarded and implemented two new grant funding opportunities, a four year old full-day pre-kindergarten and a three year old full-day pre-kindergarten. These two programs allow our district to educate an additional 78 four year olds and 45 three year olds within our community. The addition of these two grants brings our total pre-kindergarten grant funding up to \$1,193,375 annually.
- Future anticipated increases in School District expenditures relating to instructional and non-instructional salaries, and related fringe benefit costs, including increases in health insurance, may have an adverse effect on the School District's finances.
- Increasing employee benefit costs, food costs, and service maintenance costs, coupled with increasing federal mandates for nutritional guidelines, will continue to place financial pressure on the school food service program. The district will continue its enrollment in the federal reimbursement program called Provision II breakfast (free breakfast for all students K-12). The District is hopeful that this program will continue to increase breakfast revenue district-wide. The District will continue to balance out the revenues and expenditures of this support program.
- The School District has made a diverse range of operational adjustments in response to the effects of COVID-19. These adjustments are numerous but include moving to remote instruction including students with disabilities, and food distribution to ensure adequate feeding of students.
- As the pandemic continues to evolve, the School District will also incur additional costs associated with complying with new safety regulations.
- Fiscally, the COVID-19 pandemic has created a high degree of uncertainty. Since a large percentage of the district's revenues are obtained through federal and state funding, the district will adjust and update the budget in conjunction with changes to these funding sources. The Federal CARES Act has offset any reduction in state aid thus far; however, the state has reserved the right to adjust state aid in the 2020-21 fiscal year. If state revenues are below projections and the federal government does not provide additional aid to the state, then there may be a reduction in aid to school districts. The implications of coronavirus will be long term; we expect changes to federal and state funding as well as pension contributions. The extent of these adjustments will be dependent on the length of time it takes for a full economic recovery.

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

This financial report is designed to provide the Whitney Point Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office of the Whitney Point Central School District, 10 Keibel Road, Whitney Point, New York 13862.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2020

### ASSETS

#### Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 972,144
Cash and Cash Equivalents - Restricted	1,591,406
Due from State and Federal Governments	2,079,714
Due from Other Governments	1,009,812
Other Receivables, Net	161,123
Inventories	76,120
Prepaid Items	39,459
<b>Total Current Assets</b>	<b>5,929,778</b>

#### Noncurrent Assets

Restricted Cash	5,919,856
Net Pension Asset - Proportionate Share	1,609,711
Capital Assets, Net:	
Nondepreciable	1,933,768
Depreciable Capital Assets, Net	62,869,066
<b>Total Noncurrent Assets</b>	<b>72,332,401</b>

<b>Total Assets</b>	<b>78,262,179</b>
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### DEFERRED OUTFLOWS OF RESOURCES

Pensions	7,054,060
Other Postemployment Benefits	15,388,885
Deferred Charges on Defeased Debt	963,099
<b>Total Deferred Outflows of Resources</b>	<b>23,406,044</b>

### LIABILITIES

#### Current Liabilities

Accounts Payable	705,837
Accrued Liabilities	177,970
Bond Interest and Matured Bonds	80,409
Bond Anticipation Notes Payable	1,165,976
Due to Teachers' Retirement System	1,003,731
Due to Employees' Retirement System	104,235
Unearned Revenues - Other	18,713
Current Portion of Long-Term Obligations:	
Bonds Payable	4,614,425
<b>Total Current Liabilities</b>	<b>7,871,296</b>

*See Notes to Basic Financial Statements*

**Noncurrent Liabilities**

Bonds Payable	\$ 26,898,839
Compensated Absences Payable	748,933
Other Postemployment Benefits Liability	100,440,244
Net Pension Liability - Proportionate Share	2,617,607
<b>Total Noncurrent Liabilities</b>	<b>130,705,623</b>

**Total Liabilities**138,576,919**DEFERRED INFLOWS OF RESOURCES**

Pensions	2,219,877
Other Postemployment Benefits	3,509,997

**Total Deferred Inflows of Resources**5,729,874**NET POSITION**

Net Investment in Capital Assets	33,086,693
Restricted	7,445,383
Unrestricted Net (Deficit)	(83,170,646)

**Total Net (Deficit)**\$ (42,638,570)

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants	
<b>FUNCTIONS/PROGRAMS</b>					
General Support	\$ 4,575,556	\$	\$	\$	\$ (4,575,556)
Instruction	34,562,199	93,734	2,356,433		(32,112,032)
Pupil Transportation	3,272,366				(3,272,366)
Community Services	6,217				(6,217)
School Lunch Program	1,208,450	165,445	859,528		(183,477)
Interest on Debt	970,718				(970,718)
<b>Total Functions and Programs</b>	<b>\$ 44,595,506</b>	<b>\$ 259,179</b>	<b>\$ 3,215,961</b>	<b>\$ -</b>	(41,120,366)
<b>GENERAL REVENUES</b>					
Real Property Taxes					6,810,828
Real Property Tax Items					1,483,107
Use of Money and Property					215,226
Unrestricted State Sources					27,592,696
Sale of Property					27,113
Miscellaneous					542,431
<b>Total General Revenues</b>					36,671,401
Change in Net Position					(4,448,965)
Total Net (Deficit) - Beginning of Year					(38,189,605)
<b>Total Net (Deficit) - End of Year</b>					<b>\$ (42,638,570)</b>

*See Notes to Basic Financial Statements*



# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	Major Funds		
	Special Revenue Funds		
	General Fund	Special Aid Fund	School Lunch Fund
<b>ASSETS</b>			
Cash and Cash Equivalents - Unrestricted	\$ 961,648	\$ 7,239	\$
Cash and Cash Equivalents - Restricted	5,931,426		65,879
Due from Other Funds	1,304,474		11,296
Due from State and Federal Governments	784,029	1,199,191	96,494
Due from Other Governments	1,009,812		
Other Receivables, Net	161,091		32
Inventories			76,120
Prepaid Expenses	39,459		
<b>Total Assets</b>	<b>\$ 10,191,939</b>	<b>\$ 1,206,430</b>	<b>\$ 249,821</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 614,754	\$ 48,167	\$ 42,916
Accrued Liabilities	164,793	6,459	6,718
Due to Other Funds	28,690	1,147,558	151,092
Bond Anticipation Notes Payable			
Due to Teachers' Retirement System	1,003,731		
Due to Employees' Retirement System	104,235		
Unearned Revenues		4,246	14,467
<b>Total Liabilities</b>	<b>1,916,203</b>	<b>1,206,430</b>	<b>215,193</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - September Aid	207,588		
<b>Total Deferred Inflows of Resources</b>	<b>207,588</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable	39,459		76,120
Restricted	5,919,856		
Assigned	658,904		
Unassigned	1,449,929		(41,492)
<b>Total Fund Balances (Deficit)</b>	<b>8,068,148</b>	<b>-</b>	<b>34,628</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,191,939</b>	<b>\$ 1,206,430</b>	<b>\$ 249,821</b>

*See Notes to Basic Financial Statements*

<b>Major Funds</b>		
<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
\$	\$ 3,257	\$ 972,144
1,508,122	5,835	7,511,262
17,405		1,333,175
		2,079,714
		1,009,812
		161,123
		76,120
		39,459
<b>\$ 1,525,527</b>	<b>\$ 9,092</b>	<b>\$ 13,182,809</b>
\$	\$	\$ 705,837
		177,970
	5,835	1,333,175
	1,165,976	1,165,976
		1,003,731
		104,235
		18,713
-	1,171,811	4,509,637
		207,588
-	-	207,588
		115,579
1,525,527		7,445,383
		658,904
	(1,162,719)	245,718
1,525,527	(1,162,719)	8,465,584
<b>\$ 1,525,527</b>	<b>\$ 9,092</b>	<b>\$ 13,182,809</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2020

<b>Fund Balances - Total Governmental Funds</b>		<b>\$ 8,465,584</b>
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Total Historical Cost	\$ 96,742,035	
Less Accumulated Depreciation	<u>(31,939,201)</u>	64,802,834
Certain long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.		
Supplemental Aid	<u>\$ 207,588</u>	207,588
Long-term liabilities, including bonds payable and bond premium, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	\$ (27,500,000)	
Bond Premium	<u>(4,013,264)</u>	(31,513,264)
The School District's proportion of the collective net pension asset/liability is not reported in the funds.		
ERS Net Pension Liability - Proportionate Share	\$ (2,617,607)	
TRS Net Pension Asset - Proportionate Share	<u>1,609,711</u>	(1,007,896)
Deferred outflows of resources, including deferred charges on defeased debt, pensions, and other postemployment benefits, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including pensions and other postemployment benefits, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
Deferred Charges on Defeased Debt	\$ 963,099	
Deferred Inflows of Resources - Other Postemployment Benefits	(3,509,997)	
TRS Deferred Inflows of Resources - Pension	(2,163,115)	
ERS Deferred Inflows of Resources - Pension	(56,762)	
Deferred Outflows of Resources - Other Postemployment Benefits	15,388,885	
TRS Deferred Outflows of Resources - Pension	5,348,273	
ERS Deferred Outflows of Resources - Pension	<u>1,705,787</u>	17,676,170
Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.		
Accrued Interest on Long-term Debt	\$ (80,409)	
Compensated Absences	(748,933)	
Other Postemployment Benefits	<u>(100,440,244)</u>	<u>(101,269,586)</u>
<b>Net (Deficit) of Governmental Activities</b>		<b><u>\$ (42,638,570)</u></b>

*See Notes to Basic Financial Statements*

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Major Funds		
	General Fund	Special Revenue Funds	
		Special Aid Fund	School Lunch Fund
<b>REVENUES</b>			
Real Property Taxes	\$ 6,810,828	\$	\$
Real Property Tax Items	1,483,107		
Charges for Services	93,734		
Use of Money and Property	167,611		4
Sale of Property and Compensation for Loss	34,943		
Other Revenue	542,359	54,762	72
State Sources	27,498,764	1,339,191	101,821
Medicaid Reimbursement	93,932		
Federal Sources		962,480	757,707
Sales - School Lunch			165,445
<b>Total Revenues</b>	<b>36,725,278</b>	<b>2,356,433</b>	<b>1,025,049</b>
<b>EXPENDITURES</b>			
General Support	2,970,941		
Instruction	16,980,802	1,888,068	417,240
Pupil Transportation	1,688,568	20,680	
Community Services	3,003		
Employee Benefits	9,403,279	465,039	177,071
Debt Service:			
Principal	4,402,586		
Interest	1,181,217		
Cost of Sales			470,866
Capital Outlay			
<b>Total Expenditures</b>	<b>36,630,396</b>	<b>2,373,787</b>	<b>1,065,177</b>
Excess (Deficiency) of Revenues Over Expenditures	94,882	(17,354)	(40,128)
<b>OTHER FINANCING SOURCES AND (USES)</b>			
BANs Redeemed from Appropriations			
Premium on Obligations			
Proceeds of Obligations			
Operating Transfers In	116,026	17,354	12,076
Operating Transfers (Out)	(129,430)		
<b>Total Other Financing Sources and (Uses)</b>	<b>(13,404)</b>	<b>17,354</b>	<b>12,076</b>
Net Change in Fund Balances	81,478	-	(28,052)
Fund Balances (Deficit) - Beginning of Year	7,986,670	-	62,680
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 8,068,148</b>	<b>\$ -</b>	<b>\$ 34,628</b>

*See Notes to Basic Financial Statements*

<b>Major Funds</b>		
<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
\$	\$	\$ 6,810,828
		1,483,107
		93,734
47,611		215,226
		34,943
		597,193
		28,939,776
		93,932
		1,720,187
		165,445
47,611	-	40,154,371
170,676		3,141,617
		19,286,110
		1,709,248
		3,003
		10,045,389
		4,402,586
98,632		1,279,849
		470,866
	649,825	649,825
269,308	649,825	40,988,493
(221,697)	(649,825)	(834,122)
	987,586	987,586
1,547,554		1,547,554
	7,875,000	7,875,000
3,391	1,470,000	1,618,847
(1,486,026)	(3,391)	(1,618,847)
64,919	10,329,195	10,410,140
(156,778)	9,679,370	9,576,018
1,682,305	(10,842,089)	(1,110,434)
<b>\$ 1,525,527</b>	<b>\$ (1,162,719)</b>	<b>\$ 8,465,584</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

**Net Change in Fund Balances - Total Governmental Funds** **\$ 9,576,018**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay 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 capital assets changed.

Capital Additions	\$ 667,383	
Net Book Value of Disposed Assets	(7,830)	
Depreciation Expense	<u>(2,510,944)</u>	(1,851,391)

Long-term debt proceeds, and related issue costs and deferred amounts on refunding, provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Proceeds on Obligations	\$ (7,875,000)	
Premium on Obligations	(1,540,676)	
Principal Payment	<u>3,415,000</u>	(6,000,676)

Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Fund financial statements. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to other postemployment benefits do not affect current financial resources and are also not reported in the Governmental Funds.

Other Postemployment Benefits Liability	\$ (4,922,049)	
Compensated Absences	<u>56,129</u>	(4,865,920)

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. These include the change in accrued interest, amortization of bond premiums, and deferred amounts from refunding bonds.

Amortization of Deferred Amounts on Refunding of Debt	\$ (285,410)	
Amortization of Premiums on Obligations	605,470	
Change in Accrued Interest	<u>(17,807)</u>	302,253

Changes in the School District's proportionate share of net pension assets/liabilities have no effect on current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. In addition, changes in the School District's deferred outflows of resources and deferred inflows of resources related to pensions do not affect current financial resources and are, also, not reported in the Governmental Funds.

TRS	\$ (1,106,773)	
ERS	<u>(502,476)</u>	<u>(1,609,249)</u>

**Net Change in Net Position of Governmental Activities** **\$ (4,448,965)**

*See Notes to Basic Financial Statements*

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2020**

	<b>Private Purpose Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash - Unrestricted	\$	\$ 239,041
Cash - Restricted	313,371	
Investments - Restricted	9,995	
Accounts Receivable		2,203
<b>Total Assets</b>	<b>323,366</b>	<b>\$ 241,244</b>
<b>LIABILITIES</b>		
Other Liabilities		133,005
Extraclassroom Activity Funds Balance		108,239
<b>Total Liabilities</b>	<b>-</b>	<b>\$ 241,244</b>
<b>NET POSITION</b>		
Restricted for Scholarships	<b>\$ 323,366</b>	

*See Notes to Basic Financial Statements*

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Private Purpose Trust Fund</b>
<b>ADDITIONS</b>	
Gifts and Contributions	\$ 12,759
Investment Earnings	5,881
<b>Total Additions</b>	<u>18,640</u>
<b>DEDUCTIONS</b>	
Scholarships and Awards	<u>34,206</u>
Change in Net Position	(15,566)
Net Position - Beginning of Year	<u>338,932</u>
<b>Net Position - End of Year</b>	<u><u>\$ 323,366</u></u>

*See Notes to Basic Financial Statements*



# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies**

The accompanying financial statements of Whitney Point Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **Reporting Entity**

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is the School District;
- 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 basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School 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 obtained from Whitney Point Central School District's Business Office, at 10 Keibel Road, Whitney Point, New York 13862.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Joint Venture**

The School District is one of 16 component school districts in the Broome-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law.

#### **Basis of Presentation - District-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities present financial information about the School 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 nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. 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.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Presentation - Governmental Fund Financial Statements**

The Governmental Fund financial statements provide information about the School District's funds, including Fiduciary Funds. Separate statements for each fund category (Governmental and Fiduciary) are presented. The emphasis of Governmental Fund financial statements is on Major Governmental Funds, each displayed in a separate column.

The School District reports the following Major Governmental Funds:

- General Fund: The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
  - Special Aid Fund: Accounts for proceeds received from state and federal grants that are restricted for special educational programs.
  - School Lunch Fund: Accounts for revenues and expenditures in connection with the School District's food service program.
- Capital Projects Fund: Accounts for the financial resources used for the renovation of the educational complex and to purchase School District buses.
- Debt Service Fund: Accounts for the accumulation of resources and payment of principal and interest on long-term general obligation debt of Governmental Activities.

Fiduciary Activities are those in which the School 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 School District, and are not available to be used.

The School District reports the following Fiduciary Funds:

- Private-Purpose Trust Fund: Accounts for Scholarship Funds awarded to individual students. These activities, and those of the Agency Funds described below, are not included in the District-wide financial statements because their resources do not belong to the School District and are not available to be used.
- Agency Funds: Strictly custodial in nature and do not involve measurement of results of operations. Assets are held by the School District as agent for various student groups or Extraclassroom Activity Funds and for payroll or employee withholding.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Measurement Focus and Basis of Accounting**

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. Nonexchange transactions, in which the School 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 Governmental Fund financial 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 School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within six months 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.

#### **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, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

#### **Due To/From Other Funds**

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

#### **Inventories and Prepaid Items**

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 1 Summary of Significant Accounting Policies - Continued**

#### **Inventories and Prepaid Items - Continued**

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

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

#### **Capital Assets**

Capital assets are reported at actual cost. Donated assets are reported at estimated fair market value at the time received.

The School District uses the straight-line method of depreciation. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

	<b>Capitalization Threshold</b>	<b>Estimated Useful Life</b>
Buildings and Improvements	\$ 5,000	30 - 40 Years
Furniture and Equipment	5,000	Various

#### **Vested Employee Benefits - Compensated Absences**

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.

School District employees are granted vacation time 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 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 Governmental Fund financial statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Postemployment Benefits**

School 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 School District provides health insurance coverage and survivor benefits for retired employees and their survivors in accordance with employment contracts. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School 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 School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statements of Net Position, in accordance with the statement. See Note 11 for additional information.

#### **Unearned Revenue**

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

#### **Equity Classifications - District-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - District-wide Financial Statements - Continued**

- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **Equity Classifications - Governmental Fund Financial Statements**

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District’s legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government’s highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government’s highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government’s General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or General Municipal Law) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education authorized Patricia Follette, Superintendent to assign fund balance. The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

#### **Legally Adopted Reserves**

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within the State of New York. These reserve funds are established through board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

- Unemployment Insurance Reserve (GML §6-m) - 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 60 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 School 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.
- Mandatory Reserve for Debt Service (GML §6-l) - Used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvements that were financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvements. This reserve is accounted for in the Debt Service Fund.



# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Legally Adopted Reserves - Continued**

- Employee Benefit Accrued Liability Reserve (GML §6-p) - 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. This reserve is accounted for in the General Fund.
- Retirement Contribution Reserves (GML §6-r) - Used to reserve funds for the purpose of financing retirement contributions. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- Capital Reserve (Education Law §3651) - 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.

#### **Property Taxes - Calendar**

Real property taxes are levied annually by the Board of Education no later than September 1, 2019 and became a lien on August 6, 2019. Taxes were collected during the period September 3, 2019 to November 5, 2019.

#### **Property Taxes - Enforcement**

Uncollected real property taxes are subsequently enforced by the Counties of Broome, Chenango, Cortland, and Tioga (Counties). An amount representing uncollected real property taxes transmitted to the Counties for enforcement is paid by the Counties to the School District no later than the following April 1.

#### **Interfund Transfers**

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Use of 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.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position reports 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 School District reports a deferred charge on defeased debt resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. The School District reports deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 10 and 11, respectively.

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 will not be recognized as an inflow of resources (revenue) until that time. In the Governmental Funds, the School District reports deferred inflows of resources when potential revenues do not meet both the measurable and available criteria for recognition in the current period. The School District also reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 10 and 11, respectively.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 84, "Fiduciary Activities," effective for the year ending June 30, 2021. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.
- GASB has issued Statement No. 87, "Leases," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 90, "Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61," effective for the year ending June 30, 2021.
- GASB has issued Statement No. 91, "Conduit Debt Obligations," effective for the year ending June 30, 2023.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending June 30, 2022.

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

### ***Note 2* Participation in BOCES**

During the year ended June 30, 2020, the School District's share of BOCES income amounted to \$2,244,025. The School District was billed \$6,034,964 for BOCES administration and program costs. Financial statements for the Broome-Tioga BOCES are available from the BOCES administrative office at 435 Upper Glenwood Road, Binghamton, New York 13905.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 3 Cash, Cash Equivalents, and Investments - Custodial and Concentration of Credit**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District's aggregate bank balances of \$9,083,889 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

Restricted cash and investments of the Governmental Funds at June 30, 2020 consisted of the following:

General Fund Reserves	\$ 5,919,856
Debt Service	1,525,527
School Lunch	<u>65,879</u>
<b>Total</b>	<b><u>\$ 7,511,262</u></b>

Restricted cash and investments of the School District's Fiduciary Funds at June 30, 2020 consisted of the following:

Investments - Scholarship Funds	\$ 9,995
Cash - Scholarship Funds	<u>313,371</u>
<b>Total</b>	<b><u>\$ 323,366</u></b>

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 3 Cash, Cash Equivalents, and Investments - Custodial and Concentration of Credit - Continued**

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.

The School District has few investments (primarily donated scholarship funds and United States Treasury obligations) and chooses to disclose its investments by specifically identifying each. The School District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following investments are held by the School District:

<b>Fund</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Type of Investment</b>	<b>Level</b>
Private Purpose Trust Fund	\$ 2,794	\$ 9,995	Stock	(1)
<b>Total</b>	<b>\$ 2,794</b>	<b>\$ 9,995</b>		

### **Note 4 Due from State and Federal Governments**

Due from State and Federal Governments consisted of the following, which are stated at net realizable value.

<b>Description</b>	<b>Amount</b>
Excess Cost Aid - August	\$ 395,981
Excess Cost Aid - September	68,943
Supplemental Aid	207,588
State and Federal School Lunch Claims	96,494
Universal Pre-K Receivable	736,939
Other	573,769
<b>Total</b>	<b>\$ 2,079,714</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 5 Interfund Balances and Activity**

Interfund balances at June 30, 2020, are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Interfund Revenues</b>	<b>Interfund Expenditures</b>
General Fund	\$ 1,304,474	\$ 28,690	\$ 116,026	\$ 129,430
Special Aid Fund		1,147,558	17,354	
Capital Projects Fund		5,835	1,470,000	3,391
School Lunch Fund	11,296	151,092	12,076	
Debt Service Fund	17,405		3,391	1,486,026
<b>Total</b>	<b>\$ 1,333,175</b>	<b>\$ 1,333,175</b>	<b>\$ 1,618,847</b>	<b>\$ 1,618,847</b>

Interfund receivables and payables are eliminated on the Statement of Net Position.

The School District typically transfers from the General Fund to the Special Aid Fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### Note 6 Capital Assets

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications and Disposals</u>	<u>Ending Balance</u>
<b>Capital Assets That Are Not Depreciated</b>				
Land	\$ 12,730	\$	\$	\$ 12,730
Construction in Progress	1,680,115	240,923		1,921,038
Total Nondepreciable Historical Cost	1,692,845	240,923	-	1,933,768
<b>Capital Assets That Are Depreciated</b>				
Buildings	85,362,060			85,362,060
Furniture and Equipment	9,227,054	426,460	(207,307)	9,446,207
Total Depreciable Historical Cost	94,589,114	426,460	(207,307)	94,808,267
Total Historical Cost	96,281,959	667,383	(207,307)	96,742,035
<b>Less Accumulated Depreciation</b>				
Buildings	(22,713,010)	(2,034,353)		(24,747,363)
Furniture and Equipment	(6,914,724)	(476,591)	199,477	(7,191,838)
Total Accumulated Depreciation	(29,627,734)	(2,510,944)	199,477	(31,939,201)
<b>Total Historical Cost, Net</b>	<b>\$66,654,225</b>	<b>\$ (1,843,561)</b>	<b>\$ (7,830)</b>	<b>\$64,802,834</b>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 93,920
Instruction	1,955,297
Pupil Transportation	450,190
School Lunch Program	11,537
<b>Total</b>	<b>\$ 2,510,944</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 7 Short-Term Debt**

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), 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 School District did not issue or redeem any RANs or TANs during the year.

The School 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 an insufficient or no provision is 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 School District did not issue or redeem any budget notes during the year.

The School District may issue bond anticipation notes (BANs), 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.

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2020</u>
2019 Buses	08/15/2019	08/14/2020	2.25%	\$ 1,165,976

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Refinanced/ Redeemed</u>	<u>Ending Balance</u>
BANs	\$10,986,270	\$1,165,976	\$ (10,986,270)	\$1,165,976
<b>Total</b>	<b>\$ 10,986,270</b>	<b>\$ 1,165,976</b>	<b>\$ (10,986,270)</b>	<b>\$ 1,165,976</b>

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

Interest Paid	\$ 276,467
(Less) Interest Accrued in the Prior Year	(26,097)
Plus Interest Accrued in the Current Year	22,955
(Less) Premium on Obligations	(6,878)
<b>Total</b>	<b>\$ 266,447</b>



# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 8 Long-Term Debt**

At June 30, 2020, the total outstanding indebtedness of the School District represented 67.5% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- **Serial Bonds and Statutory Installment Bonds** - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. Statutory Installment Bonds are sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the School District associated with these direct borrowings or placements.
- **Dormitory Authority of the State of New York (DASNY) Bonds** - The School District has entered into financing agreements with DASNY to finance its educational reconstruction projects. The DASNY bonds for these projects will be repaid from the appropriations received from the State of New York.

The following is a summary of the School District's notes payable and long-term debt for the year ended June 30, 2020:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2020</u>
<b>Serial Bonds</b>				
Reconstruction and Renovation	06/24/2010	06/15/2024	4.25%	\$ 130,000
Construction and Reconstruction	06/10/2015	06/15/2029	2.00% - 3.00%	3,960,000
<b>DASNY Bonds</b>				
Reconstruction and Renovation	11/09/2017	06/15/2026	2.00% - 5.00%	10,915,000
Reconstruction and Renovation	06/08/2011	06/15/2026	3.00% - 5.00%	1,970,000
Refunding of 2008 Bonds	05/27/2016	06/01/2023	2.00% - 5.00%	2,650,000
Reconstruction and Renovation	06/17/2020	06/15/2033	5.00%	7,875,000
Subtotal Bonds				27,500,000
Add: Unamortized Premium				4,013,264
<b>Total</b>				<b><u><u>\$ 31,513,264</u></u></b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### Note 8 Long-Term Debt - Continued

Interest expense on long-term debt during the year was comprised of the following:

Interest Paid	\$ 1,003,382
(Less) Interest Accrued in the Prior Year	(36,505)
Plus Interest Accrued in the Current Year	57,454
Plus Amortization of Deferred Charges on Defeased Debt	285,410
(Less) Amortization of Bond Premium	(605,470)
<b>Total</b>	<b>\$ 704,271</b>

Interest rates on the serial bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Bonds	\$ 23,040,000	\$ 7,875,000	\$ (3,415,000)	\$ 27,500,000	\$ 3,915,000
DASNY Bond Premium	3,078,058	1,540,676	(605,470)	4,013,264	699,425
<b>Total</b>	<b>\$26,118,058</b>	<b>\$ 9,415,676</b>	<b>\$ (4,020,470)</b>	<b>\$31,513,264</b>	<b>\$ 4,614,425</b>

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges on defeased debt are summarized as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Deferred Charges on Defeased Debt	\$ 1,248,509	\$ -	\$ (285,410)	\$ 963,099	\$ 267,920
<b>Total</b>	<b>\$ 1,248,509</b>	<b>\$ -</b>	<b>\$ (285,410)</b>	<b>\$ 963,099</b>	<b>\$ 267,920</b>

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 3,915,000	\$ 1,368,063	\$ 5,283,063
2022	4,135,000	1,071,387	5,206,387
2023	3,715,000	891,713	4,606,713
2024	3,165,000	722,625	3,887,625
2025	3,275,000	577,013	3,852,013
2026-2030	7,110,000	1,246,537	8,356,537
2031-2033	2,185,000	223,250	2,408,250
<b>Total</b>	<b>\$ 27,500,000</b>	<b>\$ 6,100,588</b>	<b>\$ 33,600,588</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 9      Compensated Absences**

Compensated Absences: Represents the value of the earned and unused portion of the noncurrent liability for compensated absences. This liability is liquidated from the General Fund.

Compensated absences balance and activity is summarized below:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Compensated Absences</b>	<u>\$ 805,062</u>	<u>\$ -</u>	<u>\$ (56,129)</u>	<u>\$ 748,933</u>

Changes to long-term compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

### **Note 10      Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)**

#### **Plan Description and Benefits Provided - Teachers' Retirement System (TRS) (System)**

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee 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 (RSSL). The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Plan Description and Benefits Provided - Teachers' Retirement System (TRS) (System) - (Continued)**

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

**Plan Description and Benefits Provided - Employees' Retirement System (ERS) (System)**

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. 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 RSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Plan Description and Benefits Provided - Employees' Retirement System (ERS) (System) - (Continued)**

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

**Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

**Contributions**

The School District is required to contribute at an actuarially determined rate. The School District's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding Plan years were as follows:

	ERS	TRS
2020	\$ 405,233	\$ 1,099,270
2019	388,415	1,036,213
2018	407,850	1,241,042

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

At June 30, 2020, the School 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, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation. The School District's proportionate share of the net pension asset/liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	4/01/2019	6/30/2018
Net Pension Asset/Liability	\$ 26,480,579,097	\$(2,598,006,772)
School District's Proportionate Share of the Plan's Total Net Pension Asset/Liability	2,617,607	(1,609,711)
School District's Share of the Net Pension Asset/Liability	0.0098850%	0.061959%

For the year ended June 30, 2020, the School District recognized pension expense of \$907,503 for ERS and \$2,041,346 for TRS in the District-wide financial statements. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 154,057	\$ 1,090,860	\$	\$ 119,701
Changes of Assumptions	52,706	3,040,959	45,511	741,472
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,341,913			1,290,905
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	52,876	282,174	11,251	11,037
School District's Contributions Subsequent to the Measurement Date	104,235	934,280		
<b>Total</b>	<b><u>\$ 1,705,787</u></b>	<b><u>\$ 5,348,273</u></b>	<b><u>\$ 56,762</u></b>	<b><u>\$ 2,163,115</u></b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension asset/liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>ERS</u>	<u>TRS</u>
2021	\$ 264,800	\$ 778,917
2022	390,264	96,871
2023	492,113	776,277
2024	397,613	525,878
2025		98,583
Thereafter		(25,648)

#### **Actuarial Assumptions**

The total pension liability as of the valuation 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.

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2020	June 30, 2019
Actuarial Valuation Date	April 1, 2019	June 30, 2018
Investment Rate of Return	6.8%	7.1%
Salary Increases	4.2%	1.9%-4.72%
Cost of Living Adjustments	1.3%	1.3%
Inflation Rate	2.5%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Actuarial Assumptions - Continued**

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

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

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2020	June 30, 2019
<b>Asset Type</b>		
Domestic Equities	4.1%	6.3%
International Equities	6.2%	7.8%
Global Equities		7.2%
Real Estate	5.0%	4.6%
Private Equity/Alternative Investments	6.8%	9.9%
Absolute Return Strategies	3.3%	
Opportunistic Portfolio	4.7%	
Real Assets	6.0%	
Cash	0.0%	
Inflation-Indexed Bonds	0.5%	
Domestic Fixed Income Securities		1.3%
Global Fixed Income Securities		0.9%
Private Debt		6.5%
Real Estate Debt		2.9%
High-Yield Fixed Income Securities		3.6%
Mortgages and Bonds	0.8%	
Short-Term		0.3%



# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

**Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Discount Rate**

The discount rate used to calculate the total pension asset/liability was 6.8% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

**Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate Assumption**

The following presents the School District's proportionate share of the net pension asset/liability calculated using the discount rate of 6.8% for ERS and 7.1% for TRS, as well as what the School 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 or higher than the current rate:

	<b>1% Decrease (5.8%)</b>	<b>Current Assumption (6.8%)</b>	<b>1% Increase (7.8%)</b>
<b>ERS</b>			
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 4,804,048	\$ 2,617,607	\$ 603,886
	<b>1% Decrease (6.1%)</b>	<b>Current Assumption (7.1%)</b>	<b>1% Increase (8.1%)</b>
<b>TRS</b>			
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 7,266,066	\$ (1,609,711)	\$ (9,055,486)

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - 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:

	<b>Dollars in Thousands</b>	
	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2020	June 30, 2019
Employers' Total Pension Asset/Liability	\$ 194,596,261	\$ 119,879,474
Plan Net Position	<u>(168,115,682)</u>	<u>(122,477,481)</u>
<b>Employers' Net Pension Asset/Liability</b>	<b><u>\$ 26,480,579</u></b>	<b><u>\$ (2,598,007)</u></b>
Ratio of Plan Net Position to the Employers' Total Pension Asset/Liability	86.4%	102.2%

#### **Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$104,235.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October, and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$1,003,731.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

#### **Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>ERS</b>			
Net Pension Liability	\$ 671,771	\$ 1,945,836	\$ 2,617,607
Deferred Outflows of Resources	(439,113)	(1,266,674)	(1,705,787)
Deferred Inflows of Resources	233,448	(176,686)	56,762
Subtotal	466,106	502,476	968,582
<b>TRS</b>			
Net Pension Asset	(1,161,358)	(448,353)	(1,609,711)
Deferred Outflows of Resources	(6,200,232)	851,959	(5,348,273)
Deferred Inflows of Resources	1,459,948	703,167	2,163,115
Subtotal	(5,901,642)	1,106,773	(4,794,869)
<b>Total</b>	<b><u>\$(5,435,536)</u></b>	<b><u>\$ 1,609,249</u></b>	<b><u>\$(3,826,287)</u></b>

### **Note 11 Postemployment Benefits Other than Pensions (OPEB)**

#### **General Information about the OPEB Plan (Plan)**

Plan Description - The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the School District has in place with different classifications of employees. The School District acquires health insurance through a consortium known as the Broome-Tioga-Delaware Health Insurance Consortium. Benefits provided by the Consortium are administered by Blue Cross/Blue Shield. The Consortium plan covers medical and pharmaceutical costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 11 Postemployment Benefits Other than Pensions (OPEB) - Continued**

#### **General Information about the OPEB Plan - Continued**

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms - At June 30, 2020, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	293
Active Employees	235
	<hr/>
<b>Total</b>	<b>528</b>
	<hr/> <hr/>

#### **Total OPEB Liability**

The School District's total OPEB liability of \$100,440,244 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate:	2.21%
Salary Scale	2.6%
Marital Assumption	80.0%
Participation Rate	100.0%
Healthcare Cost Trend Rates	6.1% for 2020, Decreasing to an Ultimate Rate of 4.1% for Years after 2077

The S&P Municipal Bond 20 Year High Grade Rate was used to determine the long-term bond rate above.

Mortality rates were based on the Scale MP-2018 (generation mortality) published by the pension mortality study released by the Society of Actuaries.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

#### **Total OPEB Liability - Continued**

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death, or retirement.

Retirement rates are based on tables used by the New York State Teachers' Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2018 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

#### **Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2019</b>	<u>\$ 82,275,088</u>
<b>Changes for the Year:</b>	
Service Cost	2,446,779
Interest Cost	2,918,404
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	
Changes in Assumptions or Other Inputs	15,500,951
Benefit Payments	<u>(2,700,978)</u>
Net Change	<u>18,165,156</u>
<b>Balance at June 30, 2020</b>	<u><b>\$100,440,244</b></u>

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

	<b>1% Decrease (1.21%)</b>	<b>Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB Liability	<u>\$ 119,262,191</u>	<u>\$ 100,440,244</u>	<u>\$ 85,581,221</u>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

#### **Changes in the Total OPEB Liability - Continued**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% in 2019 to 2.21% in 2020.

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

	<b>1% Decrease</b>	<b>Healthcare Cost</b>	<b>1% Increase</b>
	<b>(5.1% to 3.1%)</b>	<b>Trend Rate</b>	<b>(7.1% to 5.1%)</b>
		<b>(6.1% to 4.1%)</b>	
Total OPEB Liability	\$ 82,397,020	\$ 100,440,244	\$ 124,347,946

#### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the School District recognized OPEB expense of \$7,623,027.

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred</b>	<b>Deferred</b>
	<b>Outflows of</b>	<b>Inflows of</b>
	<b>Resources</b>	<b>Resources</b>
Differences Between Expected and Actual Experience	\$ 2,388,087	\$
Changes in Assumptions or Other Inputs	13,000,798	3,509,997
<b>Total</b>	<b>\$ 15,388,885</b>	<b>\$ 3,509,997</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### *Note 11* Postemployment Benefits Other Than Pensions (OPEB) - Continued

#### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued**

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

<b>Fiscal Year</b>	
<b>Ending June 30,</b>	<b>Amount</b>
2021	\$ 2,257,844
2022	2,257,844
2023	2,257,844
2024	2,257,844
2025	2,347,479
Thereafter	500,033

#### **Current Year of Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
Other Postemployment Benefits Liability	\$ 82,275,088	\$ 18,165,156	\$ 100,440,244
Deferred Outflows of Resources	(2,892,586)	(12,496,299)	(15,388,885)
Deferred Inflows of Resources	4,256,805	(746,808)	3,509,997
<b>Total</b>	<b>\$ 83,639,307</b>	<b>\$ 4,922,049</b>	<b>\$ 88,561,356</b>

### *Note 12* Commitments and Contingencies

#### **Risk Financing and Related Insurance - General Information**

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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 three years.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

### **Note 12      Commitments and Contingencies - Continued**

#### **Risk Financing and Related Insurance - Health Insurance**

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by Broome-Tioga-Delaware BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members for a minimum of one year; a member district may withdraw from the Plan after that time by providing notice to the consortium prior to the May 1, immediately preceding the commencement of the next school year. Plan members include 16 school districts, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2020, the School District incurred premiums or contribution expenditures totaling \$7,303,222.

#### **Other Items**

The School 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 School District's administration believes disallowances, if any, will be immaterial.



# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### Note 13

#### Fund Balance Detail

At June 30, 2020, nonspendable, restricted, and assigned fund balances in the governmental funds were as follows:

	<b>General Fund</b>	<b>School Lunch Fund</b>	<b>Debt Service Fund</b>
<b>Nonspendable</b>			
Inventory	\$	\$ 76,120	\$
Prepaid Expenses	39,459		
<b>Total Nonspendable Fund Balance</b>	<b>\$ 39,459</b>	<b>\$ 76,120</b>	<b>\$</b>
<b>Restricted</b>			
Reserve for Employees' Retirement Contributions	\$ 1,637,472	\$	\$
Reserve for Teachers' Retirement Contributions	410,803		
Unemployment Insurance Reserve	507,128		
Employee Benefit Accrued			
Liability Reserve	575,144		
Capital Reserve	2,789,309		
Debt			1,525,527
<b>Total Restricted Fund Balance</b>	<b>\$ 5,919,856</b>	<b>\$ -</b>	<b>\$ 1,525,527</b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 500,000	\$	\$
Encumbered for:			
General Support	54,780		
Instruction	76,092		
Pupil Transportation	16,390		
Community Services	432		
Employee Benefits	11,210		
<b>Total Assigned Fund Balance</b>	<b>\$ 658,904</b>	<b>\$ -</b>	<b>\$ -</b>

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### **Note 14 Restricted Fund Balances**

Portions of fund balance are reserved and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity of the General Fund restricted reserves and Debt Service Fund for the year ended June 30, 2020 were as follows:

<b>General Fund</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Interest Earned</b>	<b>Appropriated</b>	<b>Ending Balance</b>
Unemployment Insurance Reserve	\$ 508,667	\$	\$ 2,042	\$ (3,581)	\$ 507,128
Reserve for Employees' Retirement Contributions	1,630,925		6,547		1,637,472
Reserve for Teachers' Retirement Contributions	200,000	210,000	803		410,803
Employee Benefit Accrued Liability Reserve	718,998		2,886	(146,740)	575,144
Capital Reserve	2,778,157		11,152		2,789,309
<b>Total</b>	<b>\$ 5,836,747</b>	<b>\$ 210,000</b>	<b>\$ 23,430</b>	<b>\$ (150,321)</b>	<b>\$ 5,919,856</b>
<b>Debt Service Fund</b>	<b>\$ 1,682,305</b>	<b>\$ 1,550,945</b>	<b>\$ 47,611</b>	<b>\$ (1,755,334)</b>	<b>\$ 1,525,527</b>

### **Note 15 Stewardship, Compliance, and Accountability - Deficit Net Position**

#### **Deficit Net Position**

At June 30, 2020, the District-wide Statement of Net Position had an unrestricted net deficit of \$83,170,646. This is the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability (see Note 11). The deficit is not expected to be eliminated during the normal course of operations.

#### **Deficit Fund Balance**

The Capital Projects Fund had a deficit fund balance of \$1,162,719 at June 30, 2020. This deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

The School Lunch fund had a deficit unassigned fund balance of \$41,492 at June 30, 2020, due to the current excess of expenditures.

### **Note 16 Subsequent Event**

On August 13, 2020, the School District issued bond anticipation notes totaling \$1,263,287 at a rate of 1.25% to finance the purchase of school buses.

### **Note 17 Uncertainty**

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies on the area in which the School District operates. The School District completed the school year in an online learning format and is beginning the 2020-2021 academic year in a partially online format. While it is unknown how long these conditions will last and what the complete financial effect will be, the School District expects disruptions to businesses and residents and potential effects to New York State government funding, which could negatively impact operating results in future periods.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
<b>Local Sources</b>				
Real Property Taxes	\$ 8,271,434	\$ 6,823,712	\$ 6,810,828	\$ (12,884)
Other Tax Items	30,000	1,477,722	1,483,107	5,385
Charges for Services	51,000	51,000	93,734	42,734
Use of Money and Property	162,600	162,600	167,611	5,011
Sale of Property and Compensation for Loss	30,000	30,000	34,943	4,943
Miscellaneous	419,500	419,500	542,359	122,859
<b>Total Local Sources</b>	8,964,534	8,964,534	9,132,582	168,048
State Sources	27,523,755	27,523,755	27,498,764	(24,991)
Medicaid Reimbursements	68,000	68,000	93,932	25,932
<b>Total Revenues</b>	36,556,289	36,556,289	36,725,278	168,989
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	116,026	116,026	116,026	-
<b>Total Revenues and Other Financing Sources</b>	36,672,315	36,672,315	<b>\$36,841,304</b>	<b>\$ 168,989</b>
Appropriated Fund Balance	500,000	500,000		
Appropriated Reserves	385,085	385,085		
Designated Fund Balance and Encumbrances Carried Forward from Prior Year	138,099	138,099		
<b>Total Revenues, Appropriated Reserves, and Designated Fund Balance</b>	<b>\$37,695,499</b>	<b>\$37,695,499</b>		

*See Notes to Required Supplementary Information*

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Revised Budget
<b>EXPENDITURES</b>		
<b>General Support</b>		
Board of Education	\$ 8,835	\$ 7,033
Central Administration	220,897	217,285
Finance	533,781	531,109
Staff	94,202	90,413
Central Services	2,011,142	2,018,966
Special Items	322,325	312,323
<b>Total General Support</b>	3,191,182	3,177,129
<b>Instruction</b>		
Instruction, Administration, and Improvement	913,613	983,473
Teaching - Regular School	7,926,409	7,776,888
Programs for Students with Disabilities	3,658,652	4,281,141
Occupational Education	974,823	949,960
Teaching - Special School	296,641	266,944
Instructional Media	1,573,463	1,566,706
Pupil Services	1,700,492	1,633,057
<b>Total Instruction</b>	17,044,093	17,458,169
Pupil Transportation	1,913,595	1,783,196
Community Services	4,271	3,435
Employee Benefits	9,800,455	9,531,667
<b>Debt Service</b>		
Principal	4,237,586	4,402,586
Interest	1,357,317	1,192,317
<b>Total Debt Service</b>	5,594,903	5,594,903
<b>Total Expenditures</b>	37,548,499	37,548,499
<b>OTHER FINANCING USES</b>		
Operating Transfers Out	147,000	147,000
<b>Total Expenditures and Other Financing Uses</b>	<b>\$37,695,499</b>	<b>\$ 37,695,499</b>
Net Change in Fund Balance		
Fund Balance - Beginning of Year		
<b>Fund Balance - End of Year</b>		

*See Notes to Required Supplementary Information*

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 6,718	\$ 46	\$ 269
212,863		4,422
528,652	580	1,877
74,956	1,400	14,057
1,835,857	52,754	130,355
312,323		-
2,971,369	54,780	150,980
963,808		19,665
7,521,544	34,738	220,606
4,205,370	5,000	70,771
918,604		31,356
265,047		1,897
1,554,199		12,507
1,551,802	36,354	44,901
16,980,374	76,092	401,703
1,688,568	16,390	78,238
3,003	432	-
9,403,279	11,210	117,178
4,402,586		-
1,181,217		11,100
5,583,803	-	11,100
36,630,396	158,904	759,199
129,430		17,570
36,759,826	<b>\$ 158,904</b>	<b>\$ 776,769</b>
81,478		
7,986,670		
<b><u>\$8,068,148</u></b>		

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Contractually Required Contribution	\$ <b>405,233</b>	\$ 388,415	\$ 407,850
Contributions in Relation to the Contractually Required Contribution	<b>(405,233)</b>	(388,415)	(407,850)
Contribution Deficiency (Excess)	-	-	-
School District's Covered Payroll for Year Ended June 30,	<b>2,944,303</b>	2,811,941	2,870,376
Contributions as a Percentage of Covered Payroll	<b>13.8%</b>	13.8%	14.2%

## **SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Contractually Required Contribution	\$ <b>934,280</b>	\$ 1,099,270	\$1,036,213
Contributions in Relation to the Contractually Required Contribution	<b>(934,280)</b>	(1,099,270)	(1,036,213)
Contribution Deficiency (Excess)	-	-	-
School District's Covered Payroll for Year Ended June 30,	<b>10,544,921</b>	10,350,942	10,573,602
Contributions as a Percentage of Covered Payroll	<b>8.9%</b>	10.6%	9.8%

*See Notes to Required Supplementary Information*

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$ 382,851	\$ 448,178	\$ 444,026	\$ 410,415	\$ 456,905	\$ 365,510	\$ 292,502
(382,851)	(448,178)	(444,026)	(410,415)	(456,905)	(365,510)	(292,502)
-	-	-	-	-	-	-
2,606,493	2,552,169	2,445,134	2,339,189	2,456,257	2,451,303	2,517,210
14.7%	17.6%	18.2%	17.5%	18.6%	14.9%	11.6%

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$ 1,241,042	\$ 1,369,170	\$ 1,788,716	\$1,603,442	\$ 1,163,388	\$ 1,102,781	\$ 877,653
(1,241,042)	(1,369,170)	(1,788,716)	(1,603,442)	(1,163,388)	(1,102,781)	(877,653)
-	-	-	-	-	-	-
10,589,096	10,325,566	10,203,742	9,837,067	9,859,220	9,934,964	10,205,267
11.7%	13.3%	17.5%	16.3%	11.8%	11.1%	8.6%

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,**

	<u><b>2020</b></u>	<u><b>2019</b></u>
School District's Proportion of the Net Pension Asset/Liability	<b>0.0098850%</b>	0.0094812%
School District's Proportionate Share of the Net Pension Asset/Liability	<b>\$ 2,617,607</b>	\$ 671,771
School District's Covered Payroll During the Measurement Period	<b>2,910,467</b>	2,784,498
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Payroll	<b>89.9%</b>	24.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	<b>86.4%</b>	96.3%

## **SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,**

	<u><b>2020</b></u>	<u><b>2019</b></u>
School District's Proportion of the Net Pension Asset/Liability	<b>0.061959%</b>	0.064225%
School District's Proportionate Share of the Net Pension Asset/Liability	<b>\$ (1,609,711)</b>	\$ (1,161,358)
School District's Covered Payroll During the Measurement Period	<b>10,350,942</b>	10,573,602
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Payroll	<b>15.6%</b>	11.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	<b>102.2%</b>	101.5%

*Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.*

*See Notes to Required Supplementary Information*



<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
0.0097821%	0.0096101%	0.0097830%	0.0094163%
\$ 315,711	\$ 902,990	\$ 1,570,194	\$ 318,104
2,828,449	2,561,131	2,493,387	2,414,474
11.2%	35.3%	63.0%	13.2%
98.2%	94.7%	90.7%	97.9%

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
0.066156%	0.066487%	0.067474%	0.066800%
\$ (502,850)	\$ 712,103	\$ (7,008,420)	\$ (7,441,056)
10,589,096	10,325,566	10,203,742	9,837,067
4.7%	6.9%	68.7%	75.6%
100.7%	99.0%	110.5%	111.5%

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 2,446,779	\$ 3,001,439	\$ 2,881,109
Interest Cost	2,918,404	2,515,681	2,413,184
Changes of Benefit Terms		(598,218)	
Differences Between Expected and Actual Experience		2,812,622	669,168
Changes in Assumptions or Other Inputs	15,500,951	(5,003,613)	
Benefit Payments	<u>(2,700,978)</u>	<u>(2,595,690)</u>	<u>(2,737,740)</u>
	18,165,156	132,221	3,225,721
Total OPEB Liability - Beginning	<u>82,275,088</u>	<u>82,142,867</u>	<u>78,917,146</u>
<b>Total OPEB Liability - Ending</b>	<b><u>\$ 100,440,244</u></b>	<b><u>\$ 82,275,088</u></b>	<b><u>\$ 82,142,867</u></b>
 Covered Employee Payroll	 \$ 10,831,441	 \$ 10,831,441	 \$ 12,620,118
 <b>Total OPEB Liability as a Percentage of Covered Payroll</b>	 <b>927%</b>	 <b>760%</b>	 <b>651%</b>

\* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.

*See Notes to Required Supplementary Information*

2017	2016	2015	2014	2013	2012	2011
\$ *	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
\$ 78,917,146	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
\$ *	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
*	*	*	*	*	*	*

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2020

### **Note 1 Budgetary Procedures and Budgetary Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education (Board) for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them, because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Adopted Budget	\$ 37,557,400
Carryover Encumbrances	<u>138,099</u>
Original Budget	<u>37,695,499</u>
<b>Final Budget</b>	<b><u>\$ 37,695,499</u></b>

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.

Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid and School Lunch). Budgetary controls for the Special Revenue Funds are established in accordance with the applicable grant agreements. Special Revenue Funds may also cover a period other than the School District's fiscal year.

### **Note 2 Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are shown in a separate column and are not included in the actual results at June 30, 2020.

### **Note 3 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios**

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates in each period:

2020 - 2.21%  
2019 - 3.5%

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2020

**Note 4 Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

The Schedule of the School District's Proportionate Share of the Net Pension Asset/Liability, required supplementary information, presents six years of information. These schedules will present ten years of information as it becomes available from the pension plans.

**Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

### NYSLRS

#### Changes in Benefit Terms

There were no significant legislative changes in benefits for the April 1, 2019 actuarial valuation.

#### Changes of Assumptions

There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2019 actuarial valuation. The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%. The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

#### Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2018 actuarial valuation determines the employer rates for contributions payable in fiscal year 2020. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of living adjustments	1.3% annually.

# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2020**

### ***Note 5* Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

#### **NYSTRS**

##### **Changes in Benefit Terms**

Effective with the 2019 actuarial valuation an increase in the NYS Governor's salary limit from \$179,000 to \$200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary may ultimately increase to \$250,000 phased in over the next two years.

##### **Changes of Assumptions**

Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated, future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 7.10%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement is changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2020

**Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

**NYSTRS - Continued**

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the School District's Contributions.

Actuarial Cost Method	The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.
-----------------------	---

Asset Valuation Method	Five-year phased in deferred recognition of each year's net investment gain/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.
------------------------	---

Inflation	2.3%
-----------	------

Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
----------------------------	--

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return	7.1% compounded annually, net of investment expenses, including inflation.
---------------------------	--

Projected Cost of Living Adjustments	1.3% compounded annually.
--------------------------------------	---------------------------

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2020**

### **CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	<u>\$ 37,557,400</u>
Prior Year's Encumbrances	<u>138,099</u>
Original Budget	<u>37,695,499</u>
Total Additions	<u>-</u>
Total Deductions	<u>-</u>
<b>Final Budget</b>	<b><u><u>\$ 37,695,499</u></u></b>

### **§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

<b>Next Year's Budget is a Voter Approved Budget</b>	<b><u><u>\$38,028,278</u></u></b>	
Maximum Allowed (4% of the 2020-2021 Budget)		\$ 1,521,131
General Fund Balance Subject to §1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 658,904	
Unassigned Fund Balance	<u>1,449,929</u>	
Total Unrestricted Fund Balance	<u>2,108,833</u>	
Less:		
Appropriated Fund Balance	\$ 500,000	
Encumbrances Included in Committed and Assigned Fund Balance	<u>158,904</u>	
Total Adjustments	<u>658,904</u>	
<b>General Fund Fund Balance Subject to §1318 of Real Property Tax Law</b>		<b><u><u>\$ 1,449,929</u></u></b>
Actual Percentage		3.81%



# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2020

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Total
			Prior Years	Current Year	Interfund Transfer	
Buses - 2019-2020	\$ 412,293	\$ 412,293	\$	\$ 408,902	\$ 3,391	\$412,293
Senior High School - Reconstruction 0003-019	13,838	13,838	3,464	133,179		136,643
Senior High School - Reconstruction 0003-020	100,000	100,000		99,494		99,494
District-Wide 13M	13,038,022	13,038,022		8,250		8,250
Subtotal	13,564,153	13,564,153	3,464	649,825	3,391	656,680
Unredeemed BANs						-
<b>Total</b>	<b>\$13,564,153</b>	<b>\$13,564,153</b>	<b>\$ 3,464</b>	<b>\$649,825</b>	<b>\$ 3,391</b>	<b>\$656,680</b>

*\*Architectural and State Approved Budget Modifications for Subproject Reallocations are Not Yet Finalized and Were Unavailable at this Report Date.*

Unexpended Balance	Methods of Financing			Fund Balance (Deficit) June 30, 2020	
	Proceeds of Obligations	State Aid	Local Sources		
Total	Total	Total	Total	Total	Total
\$	\$ 164,706	\$	\$ 247,587	\$ 412,293	\$ -
(122,805)	147,644			147,644	11,001 *
506			100,000	100,000	506 *
13,029,772				-	(8,250) *
12,907,473	312,350	-	347,587	659,937	3,257 *
	(1,165,976)			(1,165,976)	(1,165,976)
\$12,907,473	\$ (853,626)	-	\$ 347,587	\$ (506,039)	\$ (1,162,719)

# ***WHITNEY POINT CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS FOR THE YEAR ENDED JUNE 30, 2020**

Capital Assets, Net	<u>\$ 64,802,834</u>
Add:	
Deferred Charges on Defeased Debt	<u>963,099</u>
Deduct:	
Bond Anticipation Notes	<u>(1,165,976)</u>
Premium on Bonds	<u>(4,013,264)</u>
Short-term Portion of Bonds Payable	<u>(3,915,000)</u>
Long-term Portion of Bonds Payable	<u>(23,585,000)</u>
<b>Net Investment in Capital Assets</b>	<b><u><u>\$ 33,086,693</u></u></b>



**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  
Whitney Point Central School District  
Whitney Point, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Whitney Point Central School District (the School District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 9, 2020.

***Internal Control Over Financial Reporting***

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

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

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

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

As part of obtaining reasonable assurance about whether the School 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 9, 2020



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

To the Board of Education  
Whitney Point Central School District  
Whitney Point, New York

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

We have audited Whitney Point Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

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

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

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

In our opinion, the School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

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

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 9, 2020

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass - Through Grantor Program Title	Federal CFDA #	Pass - Through Grantor #	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Education</b>				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021200180	\$	\$ 374,868
Title I Grants to Local Educational Agencies	84.010	0021190180		1,045
Title I Total		Subtotal	-	375,913
Supporting Effective Instruction State Grants	84.367	0147200180		49,353
Supporting Effective Instruction State Grants	84.367	0147190180		13,710
Title IIA Total		Subtotal	-	63,063
Special Education Cluster:				
Special Education - Grants to States	84.027	0032200058		401,297
Special Education - Preschool Grants	84.173	0033200058		15,426
Special Education Cluster Total		Subtotal	-	416,723
Title IV, Part A Student Support and Academic Enrichment Program	84.424A	0204200180		36,461
Title IV, Part A Student Support and Academic Enrichment Program	84.424A	0204190180		5,935
		Subtotal	-	42,396
Full-Service Community Schools Program	84.215J	0539204024		64,385
<b>Total U.S. Department of Education</b>				<b>962,480</b>
<b>U.S. Department of Agriculture</b>				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
National School Lunch	10.555	(1)		302,193
COVID-19-National School Lunch	10.555	(1)		153,787
School Breakfast Program	10.553	(1)		178,455
COVID-19-School Breakfast Program	10.553	(1)		96,666
COVID-19-Summer Food Service Program for Children	10.559	(1)		26,606
Child Nutrition Cluster Total			-	757,707
<b>Total U.S. Department of Agriculture</b>				<b>757,707</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 1,720,187</b>

(1) - Unable to Determine

*See Notes to Schedule of Expenditures of Federal Awards*



# **WHITNEY POINT CENTRAL SCHOOL DISTRICT**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2020**

### **Note 1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

### **Note 2 Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

### **Note 3 Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The School District has not elected to use the 10% de minimus cost rate.

### **Note 4 Matching Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented.

### **Note 5 Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2020, the School District received \$54,533 worth of commodities under the National School Lunch Program (CFDA #10.555).

### **Note 6 Subrecipients**

No amounts were provided to subrecipients

### **Note 7 Other Disclosures**

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

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

# WHITNEY POINT CENTRAL SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

### Section I - Summary of Auditors' Results

#### *Financial Statements*

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ yes    X no

Significant deficiency(ies) identified that are not  
considered to be material weakness(es)?

\_\_\_ yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_ yes    X no

#### *Federal Awards*

Internal control over major programs:

Material weakness(es) identified?

\_\_\_ yes    X no

Significant deficiency(ies) identified that are not  
considered to be material weakness(es)?

\_\_\_ yes    X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with Uniform Guidance §200.516(a)?

\_\_\_ yes    X no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B  
Programs:

\$ 750,000

Auditee qualified as low-risk?

X yes    \_\_\_ no

### Section II - Financial Statement Findings

None

### Section III - Federal Award Findings and Questioned Costs

None