

**NORTHEASTERN CLINTON  
CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2021**

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# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Northeastern Clinton Central School District  
Champlain, New York 12919

#### **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 Northeastern Clinton Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

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

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

## **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 Northeastern Clinton Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 12), budgetary comparison information (pages 50 & 51), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 54) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 55-58) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northeastern Central School District's basic financial statements as a whole. The Combining Non-Major Fund financial statements, Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of Northeastern Central School District. The Combining Non-Major Fund financial statements, Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Net Investment in Capital Assets, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2021, on our consideration of the Northeastern Clinton Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Northeastern Clinton Central School District's internal control over financial reporting and compliance.

*Boulrice & Wood CPAs, PC*

Boulrice & Wood CPAs, PC

October 4, 2021

## **Management Discussion and Analysis**

Within this section of the Northeastern Clinton Central School District's annual financial report, the School's management provides narrative discussion and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Additional information is available in the auditor's opinion letter, which precedes management's discussion and analysis.

### **Financial Highlights**

District revenues increased to \$33.3 million in fiscal year 2021 from \$32.6 million in 2020, a 2.4% increase.

The District expended \$36.3 million in fiscal year 2021 compared to \$37.1 million in 2020. This represents an 2.2% decrease.

The District's total assets, in accordance with GASB 34 accounting, were \$36.9 million as of June 30, 2021 compared to \$37.1 million in 2020.

The District's total liabilities, in accordance with GASB 34 accounting, were \$109.4 million as of June 30, 2021 compared to \$94.2 million in 2020.

The District implemented GASB 75 during the year ended June 30, 2018. At June 30, 2021, a \$98,886,986 liability is recognized in the District-Wide Financial Statements.

### **Overview of the Financial Statements**

Management's discussion and analysis introduces the District's basic financial statements. The basic financial statements include: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

### **District-Wide Financial Statements**

The Governmental Accounting Standards Board's Statement #34 requires that reporting financial status to take place in a district-wide format. The District's annual report includes two such district-wide financial statements, which provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these district-wide statements is the Statement of Net Position. This is a district-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the overall financial position of the District is improving or deteriorating. In addition to the financial information provided in this report, evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base, the continued financial support of the State and Federal governments, and the condition of the District's infrastructure.

The second district-wide statement is the Statement of Activities. This statement reports how the District's net position changed during the current fiscal year. All current revenues and expenditures are included regardless of when cash is received or paid. An important purpose for the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the School's taxpayers.

Both of the district-wide financial statements distinguish government activities of the District that are principally supported by State and Federal sources, intergovernmental revenues, such as operating grants, and revenue from the local tax levy.

The district-wide financial statements are presented on pages 13 and 14 of this report.

## **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related law and regulations. Within the basic financial statements, fund financial statements focus on the School's most significant funds rather than the District as a whole. Major funds are reported separately while all others are combined in a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide statements, the governmental fund statements focus on the near-term inflows and outflows of resources available for spending. These statements illustrate short-term fiscal accountability in the use of such resources and the balances of such resources at the end of the fiscal year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of such resources for the near-term.

Since the district-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance have been reconciled in the notes to the financial statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the supplemental financial statements for the General Fund. These statements and schedules demonstrate regulatory compliance with the School's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 15 and 16 of this report.



## Notes to Financial Statements

Notes to Financial Statements provide information essential to a full understanding of the district-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also includes supplementary information beginning on page 47.

## Financial Analysis of the District as a Whole

The District's net position at fiscal year-end is (\$52,595,509). This represents a \$2,936,281 decrease from last year's net position of (\$49,659,228). The following table provides a summary of the School's net position:

	<u>Summary of Net Position</u>	
	<u>6/30/2021</u>	<u>Restated 6/30/2020</u>
Current and Other Assets	\$ 9,736,127	\$ 10,024,298
Capital Assets	<u>27,122,921</u>	<u>27,088,035</u>
Total Assets	<u>36,859,048</u>	<u>37,112,333</u>
Deferred Outflows of Resources		
Other post employment benefits	20,859,246	10,040,574
Pensions	<u>7,364,470</u>	<u>6,386,227</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 65,082,764</u>	<u>\$ 53,539,134</u>
Long-Term Liabilities	\$ 107,816,928	\$ 93,105,406
Other Liabilities	<u>1,544,050</u>	<u>1,069,395</u>
Total Liabilities	<u>109,360,978</u>	<u>94,174,801</u>
Deferred Inflows of Resources		
Unamortized defeasance gain	281,875	384,375
Other post employment benefits	<u>4,526,017</u>	<u>6,426,769</u>
Pensions	<u>3,509,403</u>	<u>2,212,417</u>
Total Deferred Inflows of Resources	<u>8,317,295</u>	<u>9,023,561</u>
Net Assets		
Net Investment in Capital Assets	19,951,721	18,125,730
Restricted	<u>3,556,819</u>	<u>3,800,619</u>
Unrestricted	<u>(76,104,049)</u>	<u>(71,585,577)</u>
Total Net Position	<u>(52,595,509)</u>	<u>(49,659,228)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 65,082,764</u>	<u>\$ 53,539,134</u>

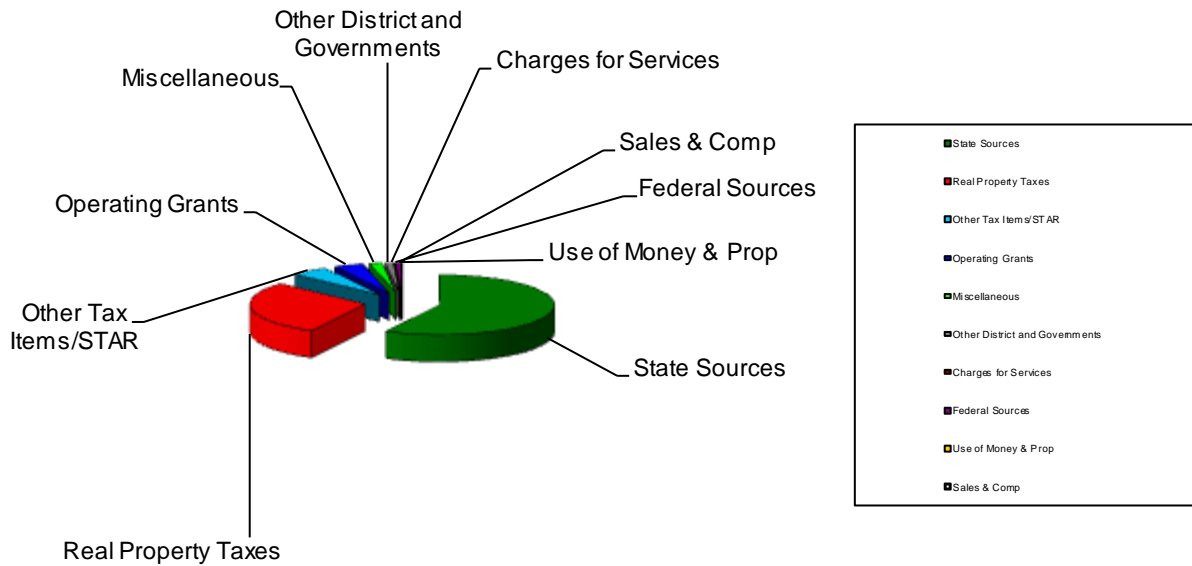
In 2021, Program Revenues of \$1.4 million combined with General Revenues of \$31.9 million to generate total District Revenues of \$33.3 million. This represented a 2.4% increase compared to fiscal 2020 revenues of \$31.0 million. The biggest contributor to this increase included a 3.8% increase in Property Taxes.

The total cost of all programs and services totaled \$36.3 million in fiscal year 2021 vs. \$37.1 million in fiscal year 2020. This represents an 2.2 % decrease.

Statement of Activities  
Summary of Changes in Net Position

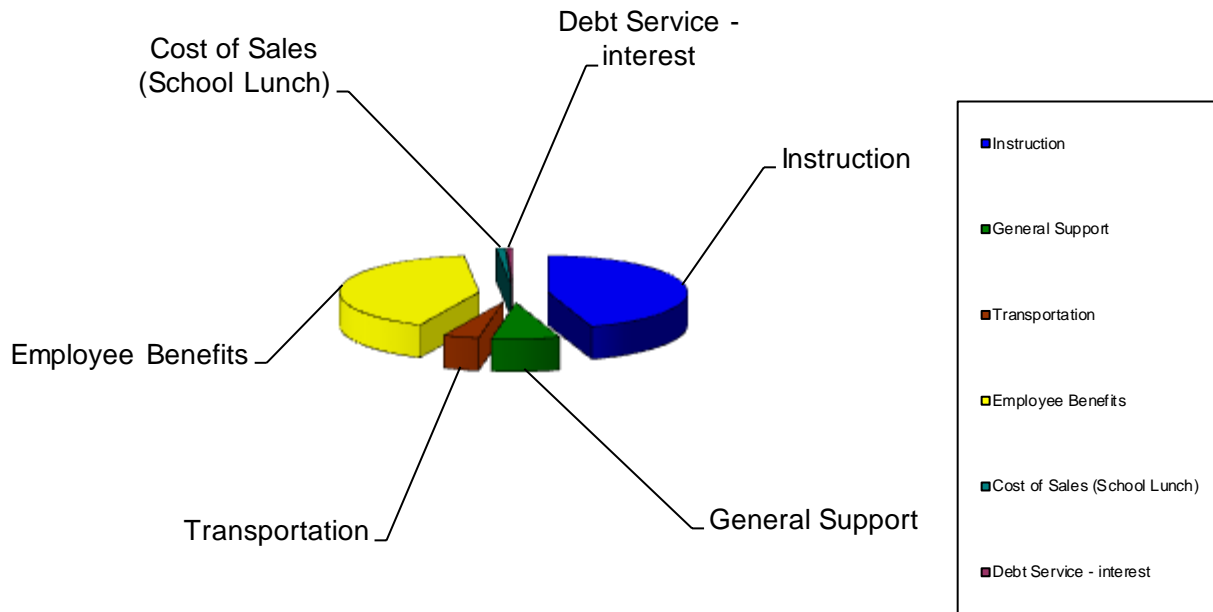
	6/30/2021	Restated 6/30/2020	% Change
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 5,351	\$ 149,030	-96.4%
Operating Grants & Contributions	1,377,661	1,358,804	1.4%
Total Program Revenue	<u>1,383,012</u>	<u>1,507,834</u>	
General Revenues:			
Property Taxes	9,734,931	9,375,390	3.8%
School Tax Relief (STAR)	1,766,187	1,811,742	-2.5%
Other District and Governments	368,984	349,721	5.5%
Use of Money and Property	3,453	50,321	-93.1%
Sale of Property & Compensation for Loss	14,294	20,418	-30.0%
Miscellaneous	579,209	444,027	30.4%
State Sources	19,236,802	18,932,805	1.6%
Federal Sources	251,361	76,900	226.9%
Total General Revenue	<u>31,955,221</u>	<u>31,061,324</u>	2.9%
Total Revenues	<u>33,338,233</u>	<u>32,569,158</u>	2.4%
<b>Expenses:</b>			
General Government Support	2,845,636	4,951,464	-42.5%
Instruction	16,300,910	16,396,814	-0.6%
Pupil Transportation	1,504,319	1,676,632	-10.3%
Employee Benefits	15,010,735	13,259,217	13.2%
Debt Service – Interest	237,587	294,460	-19.3%
Cost of Sales – food	375,327	514,874	-27.1%
Total Expenses	<u>36,274,514</u>	<u>37,093,461</u>	-2.2%
Decrease in Net Position:	<u>\$ (2,936,281)</u>	<u>\$(4,524,303)</u>	-35.1%

### Sources of Revenues for Fiscal Year 2021



<u>Source</u>	<u>Amount</u>
State Sources	\$ 19,236,802
Real Property Taxes	9,734,931
Other Tax Items/STAR	1,766,187
Operating Grants	1,377,661
Miscellaneous	579,209
Other District and Governments	368,984
Charges for Services	5,351
Federal Sources	251,361
Use of Money & Prop	3,453
Sales & Comp	14,294
	<u>\$ 33,338,233</u>

## Sources of Expenses for Fiscal Year 2021



<u>Expenditure</u>	<u>Amount</u>	
Instruction	\$ 16,300,910	44.9%
General Support	2,845,636	7.8%
Transportation	1,504,319	4.1%
Employee Benefits	15,010,735	41.4%
Cost of Sales (School Lunch)	375,327	1.0%
Debt Service - interest	237,587	0.7%
	<u>\$ 36,274,514</u>	<u>100%</u>

## Financial Analysis of the School District's Funds

As discussed, the School's governmental funds are reported in the fund statements with a modified accrual basis that focuses on the short-term, inflow and outflow of resources available for spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the School District consist of the General Fund, Special Aid Fund, School Food Service Fund, Capital Projects Fund and Debt Service Fund. The total fund balance is as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Nonspendable	\$ 32,824	\$ 16,596
Restricted	3,556,819	3,800,619
Assigned	870,901	1,456,434
Unassigned	3,226,258	1,663,015
	<u>\$ 7,686,802</u>	<u>\$ 6,936,664</u>

As assigned balances in this fund are required by State law to be appropriated in the following year's budget, the District has assigned \$870,901 to be used as resources for certain district-wide liabilities during 2021-22. Fund balances of capital projects and debt service funds are restricted by State law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

## General Fund Budgetary Highlights

	<u>Final Budget</u>	<u>Actual</u>	<u>Over / (Under) Revised Budget</u>
<b>Revenues:</b>			
Real Property Taxes	\$ 9,436,760	\$ 9,734,931	\$ 298,171
Other Tax Items/STAR Aid	2,041,472	1,766,187	(275,285)
Charges for Services	1,500	-	(1,500)
Other Districts and Governments	286,000	368,984	82,984
Use of Money and Property	40,000	3,378	(36,622)
Sale of Property and Compensation for Loss	2,000	14,294	12,294
Miscellaneous	230,000	492,529	262,529
State Sources	17,828,115	18,220,958	392,843
Federal Sources	427,186	251,361	(175,825)
<b>Total Revenues</b>	<u>30,293,033</u>	<u>30,852,622</u>	<u>559,589</u>

**Expenditures:**

General Support:	2,978,876	2,843,702	(135,174)
Instructional	15,281,832	14,071,198	(1,210,634)
Pupil Transportation	1,356,759	1,115,951	(240,808)
Employee Benefits	9,879,409	9,367,224	(512,185)
Debt Service	2,489,904	2,484,991	(4,913)
<b>Total Expenditures</b>	<b>31,986,780</b>	<b>29,883,066</b>	<b>(2,103,714)</b>

**Other Financing Sources:**

Interfund Transfers, net	298,747	(6,426)	(305,173)
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**Appropriated Reserves**

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**Net Change in Fund Balance**

(1,395,000)	963,130
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**Fund Balance - Beginning**

5,477,592	5,477,592
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**Fund Balance - Ending**

\$ 4,082,592	\$ 6,440,722
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**Capital Assets and Debt Administration**Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2021, was \$27,122,921, which represents an increase of 0.1% over the June 30, 2020 balance.

	<b>2021</b>	<b>2020</b>	<b>% Change</b>
Land	\$ 84,013	\$ 84,013	-
Construction In Progress	1,071,574	812,772	31.8
Buildings	22,080,970	23,320,761	(5.3)
Machinery and Equipment	3,886,364	2,870,489	35.4
Total	<b>\$ 27,122,921</b>	<b>\$ 27,088,035</b>	0.1

Long Term Debt

At the end of the fiscal year, the District had \$6.9 million in long-term general obligation bonds.

	<b>2021</b>	<b>2020</b>	<b>% Change</b>
Bonds, Current Portion	\$ 2,209,325	\$ 2,142,930	3.1%
Bonds, Long-Term	4,680,000	6,435,000	-27.3%
Total	<b>\$ 6,889,325</b>	<b>\$ 8,577,930</b>	-19.7%

## **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District faces the following existing circumstances that could significantly affect its financial health in the future:

The award of Federal Funding due to the COVID-19 Pandemic in the form of ARP (American Rescue Plan) Grants have provided the district the ability to cover expenses not only incurred during the Pandemic but those in the years following to close the learning gaps created by remote and hybrid learning models. The District will be able to fund programs such as Summer School, Extended Day Learning and provide additional teachers and staff to make up for learning losses. The financial impact in the short term is positive. However, these funds are temporary and when the grants are exhausted the District will have to make some difficult decisions on how to scale back these additional staff and services to levels based on pre-pandemic funding sources such as tax revenue and foundation aid. In addition to the loss of the ARP funding the concern will be what the financial status of the state and federal governments in the future when these funds need to be paid back. Therefore the District is trying to be very conscientious in its fiscal decisions balancing the current needs of students recovery from the Pandemic with the needs of educating future learners.

Tax Cap restraints and being limited to the 2% Tax Cap provides only a fraction of the revenue necessary to keep up with the rise in costs and reduction in State Aid. .

Loss of annual State Aid revenue because of the Foundation Aid Formula not being fully implemented, for our District, has cost and will continue to cost the District thousands of dollars which are desperately need to support students and provide a quality education.

Large Health Insurance premium increases to the Consortium health insurance rates spanning multiple years.

The high need transient student population at our District is a higher cost population, and with a fluctuating student population, budgeting, staffing and providing appropriate programming is a constant challenge.

Retiree costs are almost equal to those of active employees. Supporting this population with the large premium increases seen over the past three years remains taxing on District resources.

## **Contacting the District's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact: Northeastern Clinton Central School District, District Offices 103 Route 276 Champlain, NY 12919, (518) 298-7978.

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**EXHIBIT 1**

**STATEMENT OF NET POSITION**  
**June 30, 2021**

**ASSETS**

Cash:	
Unrestricted	\$ 2,647,179
Restricted	3,562,130
Receivables:	
State and Federal Aid Receivable	3,425,320
Accounts Receivable	54,084
Inventories	32,824
Deposit, Electric Reserve	14,590
Capital Assets, Net	27,122,921
<b>Total Assets</b>	<b>36,859,048</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Other Post Employment Benefits	20,859,246
Pensions	7,364,470
<b>Total Deferred Outflows of Resources</b>	<b>28,223,716</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 65,082,764</b>

**LIABILITIES**

Payables:	
Accounts Payable and Accrued Expenses	\$ 447,985
Due to Other Governments	138
Due to Teachers' Retirement System	970,602
Due to Employees' Retirement System	112,298
Unearned Revenues	13,027
Long-Term Liabilities	
Due and payable within one year:	
Bonds Payable - Current	2,209,325
Due and payable after one year:	
Bonds Payable - Non-Current	4,680,000
Compensated Absences Payable	2,450,717
Other Post Employment Benefits	96,886,986
Net Pension Liability- Proportionate Share	1,589,900
<b>Total Liabilities</b>	<b>109,360,978</b>

**DEFERRED INFLOWS OF RESOURCES**

Unamortized defeasance gain	281,875
Other Post Employment Benefits	4,526,017
Pensions	3,509,403
<b>Total Deferred Inflows of Resources</b>	<b>8,317,295</b>

**NET POSITION**

Net Investment in Capital Assets	19,951,721
Restricted	3,556,819
Unrestricted	(76,104,049)
<b>Total Net Position</b>	<b>(52,595,509)</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 65,082,764</b>

See Notes to the Financial Statements



NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

EXHIBIT 2

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Functions/ Programs	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS	
General Support	\$ (2,845,636)	\$ -	\$ -	\$ (2,845,636)
Instruction	(16,300,910)	-	963,908	(15,337,002)
Pupil Transportation	(1,504,319)	-	-	(1,504,319)
Employee Benefits	(15,010,735)	-	-	(15,010,735)
Debt Service	(237,587)	-	-	(237,587)
School Lunch Program	(375,327)	5,351	413,753	43,777
<b>Total Functions and Programs</b>	<b>\$ (36,274,514)</b>	<b>\$ 5,351</b>	<b>\$ 1,377,661</b>	<b>(34,891,502)</b>
<b>General Revenues</b>				
Real Property Taxes				9,734,931
Other Tax Items/STAR Aid				1,766,187
Other District and Governments				368,984
Use of Money and Property				3,453
Sale of Property and Compensation for Loss				14,294
Miscellaneous				579,209
State Sources				19,236,802
Federal Sources				251,361
<b>Total General Revenues</b>				<b>31,955,221</b>
<b>Change in Net Position</b>				<b>(2,936,281)</b>
<b>Total Net Position - Beginning of Year, as previously reported</b>				<b>(49,851,735)</b>
<b>Prior period adjustment (Note15)</b>				<b>192,507</b>
<b>Total Net Position - Beginning of Year, as restated</b>				<b>(49,659,228)</b>
<b>Total Net Position - End of Year</b>				<b>\$ (52,595,509)</b>

See Notes to the Financial Statements

NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

EXHIBIT 3

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	NON-MAJOR	TOTAL
<b>ASSETS</b>							
Cash	\$ 2,544,568	\$ -	\$ 102,611	\$ -	\$ -	\$ -	\$ 2,647,179
Cash Restricted	2,419,624	5,263	-	928,486	-	208,757	3,562,130
Due from Other Funds	1,686,976	-	-	-	12	-	1,686,988
Accounts Receivable	54,084	-	-	-	-	-	54,084
Inventories	-	-	32,824	-	-	-	32,824
Deposit, Electric Reserve	14,590	-	-	-	-	-	14,590
Due from State and Federal	1,244,268	645,993	-	1,015,844	-	-	2,906,105
<b>Total Assets</b>	<b>\$ 7,964,110</b>	<b>\$ 651,256</b>	<b>\$ 135,435</b>	<b>\$ 1,944,330</b>	<b>\$ 12</b>	<b>\$ 208,757</b>	<b>\$ 10,903,900</b>
<b>LIABILITIES</b>							
Accounts Payable and Accrued Expenses	\$ 434,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,045
Due to Other Governments	-	-	138	-	-	-	138
Due to Other Funds	6,443	653,625	11,016	1,015,904	-	-	1,686,988
Due to Teachers' Retirement System	970,602	-	-	-	-	-	970,602
Due to Employees' Retirement System	112,298	-	-	-	-	-	112,298
Unearned Revenue	-	-	13,027	-	-	-	13,027
<b>Total Liabilities</b>	<b>1,523,388</b>		<b>24,181</b>	<b>1,015,904</b>	<b>-</b>	<b>-</b>	<b>3,217,098</b>
<b>Fund Balances:</b>							
Nonspendable							
Inventories	-	-	32,824	-	-	-	32,824
Restricted							
Capital Projects	-	-	-	928,426	-	-	928,426
Retirement of Long Term Debt	-	-	-	-	12	-	12
Unemployment Reserve	39,587	-	-	-	-	-	39,587
Insurance Reserve	33,377	-	-	-	-	-	33,377
Retirement Reserve-ERS	50,571	-	-	-	-	-	50,571
Employee Benefit Accrued Liability	2,296,089	-	-	-	-	-	2,296,089
Other	-	-	-	-	-	208,757	208,757
Assigned							
School Lunch	-	-	78,430	-	-	-	78,430
Appropriated Fund Balance	775,000	-	-	-	-	-	775,000
Encumbrances (Note 10)	17,471	-	-	-	-	-	17,471
Unassigned							
Unassigned Fund Balance	3,228,627	(2,369)	-	-	-	-	3,226,258
<b>Total Fund Balances</b>	<b>6,440,722</b>	<b>(2,369)</b>	<b>111,254</b>	<b>928,426</b>	<b>12</b>	<b>208,757</b>	<b>7,686,802</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,964,110</b>	<b>\$ 651,256</b>	<b>\$ 135,435</b>	<b>\$ 1,944,330</b>	<b>\$ 12</b>	<b>\$ 208,757</b>	<b>\$ 10,903,900</b>

See Notes to the Financial Statements

NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

EXHIBIT 4

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Year Ended June 30, 2021**

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	NON-MAJOR	TOTAL
<b>REVENUES</b>							
Real Property Taxes	\$ 9,734,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,734,931
Other Tax Items/STAR Aid	1,766,187	-	-	-	-	-	1,766,187
Other Districts and Governments	368,984	-	-	-	-	-	368,984
Use of Money and Property	3,378	-	-	-	11	64	3,453
Sale of Property and Compensation for Loss	14,294	-	-	-	-	-	14,294
Miscellaneous	492,529	-	-	-	-	45,680	538,209
Local Sources	-	1,500	-	-	-	-	1,500
State Sources	18,220,958	162,688	13,351	1,015,844	-	-	19,412,841
Federal Sources	251,361	799,720	370,497	-	-	-	1,421,578
Surplus Food	-	-	29,905	-	-	-	29,905
Sales	-	-	5,351	-	-	-	5,351
<b>Total Revenues</b>	<b>30,852,622</b>	<b>963,908</b>	<b>419,104</b>	<b>1,015,844</b>	<b>11</b>	<b>45,744</b>	<b>33,297,233</b>
<b>EXPENDITURES</b>							
General Support	2,843,702	5,163	10,553	-	-	29,494	2,888,912
Instruction	14,071,198	839,724	-	-	-	-	14,910,922
Pupil Transportation	1,115,951	-	-	-	-	-	1,115,951
Employee Benefits	9,367,224	129,127	-	-	-	-	9,496,351
Debt Service	2,484,991	-	-	-	-	-	2,484,991
Cost of Sales	-	-	375,327	-	-	-	375,327
Capital Outlay	-	-	-	1,728,966	-	-	1,728,966
<b>Total Expenditures</b>	<b>29,883,066</b>	<b>974,014</b>	<b>385,880</b>	<b>1,728,966</b>	<b>-</b>	<b>29,494</b>	<b>33,001,420</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>969,556</b>	<b>(10,106)</b>	<b>33,224</b>	<b>(713,122)</b>	<b>11</b>	<b>16,250</b>	<b>295,813</b>
<b>OTHER SOURCES AND USES</b>							
Proceeds from Debt	-	-	-	454,325	-	-	454,325
Operating transfers in	17	6,443	-	-	-	-	6,460
Operating transfers (out)	(6,443)	-	-	(5)	(12)	-	(6,460)
<b>Total Other Sources and Uses</b>	<b>(6,426)</b>	<b>6,443</b>	<b>-</b>	<b>454,320</b>	<b>(12)</b>	<b>-</b>	<b>454,325</b>
<b>Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>963,130</b>	<b>(3,663)</b>	<b>33,224</b>	<b>(258,802)</b>	<b>(1)</b>	<b>16,250</b>	<b>750,138</b>
<b>Fund Balances, Beginning of Year, restated (Note 15)</b>	<b>5,477,592</b>	<b>1,294</b>	<b>78,030</b>	<b>1,187,228</b>	<b>13</b>	<b>192,507</b>	<b>6,936,664</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,440,722</b>	<b>\$ (2,369)</b>	<b>\$ 111,254</b>	<b>\$ 928,426</b>	<b>\$ 12</b>	<b>\$ 208,757</b>	<b>\$ 7,686,802</b>

See Notes to the Financial Statements

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT****EXHIBIT 5****STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2021**

	<u>Custodial</u>
<b>ASSETS</b>	
Cash	\$ -
<b>Total Assets</b>	<u><u>\$ -</u></u>
<b>NET POSITION</b>	
Net Position	<u>\$ -</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ -</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Year ended June 30, 2021**

<b>ADDITIONS</b>	
Library tax collected	\$ 31,500
<b>DEDUCTIONS</b>	
Payment to library	<u>31,500</u>
<b>Change in Net Position</b>	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

## NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

## EXHIBIT 6

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
<b>ASSETS</b>				
Cash	\$ 2,647,179	\$ -	\$ -	\$ 2,647,179
Cash Restricted	3,562,130	-	-	3,562,130
Due from Other Funds	1,686,988	-	(1,686,988)	-
Accounts Receivable	54,084	-	-	54,084
Inventories	32,824	-	-	32,824
Deposit, Electric Reserve	14,590	-	-	14,590
Due from State and Federal	2,906,105	519,215	-	3,425,320
Capital Assets, Net	-	27,122,921	-	27,122,921
<b>Total Assets</b>	<b>10,903,900</b>	<b>27,642,136</b>	<b>(1,686,988)</b>	<b>36,859,048</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other Post Employment Benefits	-	20,859,246	-	20,859,246
Pensions	-	7,364,470	-	7,364,470
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>28,223,716</b>	<b>-</b>	<b>28,223,716</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 10,903,900</b>	<b>\$ 55,865,852</b>	<b>\$ (1,686,988)</b>	<b>\$ 65,082,764</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 434,045	\$ 13,940	\$ -	\$ 447,985
Due to Other Governments	138	-	-	138
Due to Other Funds	1,686,988	-	(1,686,988)	-
Due to Teachers' Retirement System	970,602	-	-	970,602
Due to Employees' Retirement System	112,298	-	-	112,298
Bonds Payable	-	6,889,325	-	6,889,325
Compensated Absences	-	2,450,717	-	2,450,717
Unearned revenues	13,027	-	-	13,027
Other Post Employment Benefits	-	96,886,986	-	96,886,986
Net pension liability- Proportionate share	-	1,589,900	-	1,589,900
<b>Total Liabilities</b>	<b>3,217,098</b>	<b>107,830,868</b>	<b>(1,686,988)</b>	<b>109,360,978</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unamortized defeasance gain	-	281,875	-	281,875
Other Post Employment Benefits	-	4,526,017	-	4,526,017
Pensions	-	3,509,403	-	3,509,403
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>8,317,295</b>	<b>-</b>	<b>8,317,295</b>
<b>FUND BALANCE/ NET POSITION</b>				
<b>Total Fund Balance/ Net Position</b>	<b>7,686,802</b>	<b>(60,282,311)</b>	<b>-</b>	<b>(52,595,509)</b>
<b>Total Liabilities, Fund Balance and Deferred Inflows of Resources</b>	<b>\$ 10,903,900</b>	<b>\$ 55,865,852</b>	<b>\$ (1,686,988)</b>	<b>\$ 65,082,764</b>

NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

EXHIBIT 7

RECONCILIATION OF GOVERNMENTAL FUNDS - REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
<b>REVENUES</b>						
Real Property Taxes	\$ 9,734,931	\$ -	\$ -	\$ -	\$ -	\$ 9,734,931
Other Tax Items/STAR Aid	1,766,187	-	-	-	-	1,766,187
Other Districts and Governments	368,984	-	-	-	-	368,984
Use of Money and Property	3,453	-	-	-	-	3,453
Sale of Property and Compensation for Loss	14,294	-	-	-	-	14,294
Miscellaneous	538,209	-	41,000	-	-	579,209
Local Sources	1,500	-	-	-	-	1,500
State Sources	19,412,841	-	-	-	-	19,412,841
Federal Sources	1,421,578	-	-	-	-	1,421,578
Surplus Food	29,905	-	-	-	-	29,905
Sales	5,351	-	-	-	-	5,351
<b>Total Revenues</b>	<b>33,297,233</b>	<b>-</b>	<b>41,000</b>	<b>-</b>	<b>-</b>	<b>33,338,233</b>
<b>EXPENDITURES</b>						
General Support	2,888,912	-	(43,276)	-	-	2,845,636
Instruction	14,910,922	-	1,389,988	-	-	16,300,910
Pupil Transportation	1,115,951	-	388,368	-	-	1,504,319
Employee Benefits	9,496,351	5,514,384	-	-	-	15,010,735
Debt Service	2,484,991	-	-	(2,247,404)	-	237,587
Cost of Sales	375,327	-	-	-	-	375,327
Capital Outlay	1,728,966	-	(1,728,966)	-	-	-
<b>Total Expenditures</b>	<b>33,001,420</b>	<b>5,514,384</b>	<b>6,114</b>	<b>(2,247,404)</b>	<b>-</b>	<b>36,274,514</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>295,813</b>	<b>(5,514,384)</b>	<b>34,886</b>	<b>2,247,404</b>	<b>-</b>	<b>(2,936,281)</b>
<b>OTHER SOURCES AND USES</b>						
Proceeds from Debt	454,325	-	-	(454,325)	-	-
Operating transfers in	6,460	-	-	-	(6,460)	-
Operating transfers out	(6,460)	-	-	-	6,460	-
<b>Total Other Sources and Uses</b>	<b>454,325</b>	<b>-</b>	<b>-</b>	<b>(454,325)</b>	<b>-</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ 750,138</b>	<b>\$ (5,514,384)</b>	<b>\$ 34,886</b>	<b>\$ 1,793,079</b>	<b>\$ -</b>	<b>\$ (2,936,281)</b>

See Notes to the Financial Statements

## NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

- A. Reporting entity: The Northeastern Clinton Central School District (District) is governed by the Education Law and other general laws of the State of New York. The governing body is the Board of Education of Northeastern Clinton Central School (Board). The Board is the basic level of government, which has oversight responsibilities and control over all activities related to the public school education in the region of Northeastern Clinton Central School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. Basis of presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column. The District chooses to report all governmental funds as major funds, except for Extraclassroom Activity Fund and Scholarship Fund.

The District reports the following major governmental funds:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources, except those accounted for in another

## NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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#### Note 1. Summary of Significant Accounting Policies (continued)

fund.

Special Revenue Funds – These funds account for the proceeds of specific revenue sources such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. The legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

- School Food Service Fund – Used to account for transactions of the lunch and breakfast programs.
- Special Aid Funds – Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local Grants.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service - the debt service funds are to account for the accumulation of resources and the payment of general long-term debt principal and interest.

3. Fiduciary Fund - the fiduciary fund consists of custodial funds and is used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Custodial funds are used to account for property taxes collected on behalf of and payment to the local library. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

#### C. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using 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 District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days (60 days for property taxes)



NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepaids and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
- d. Pension costs are recognized as an expenditure when billed by the state.
- e. The School District recognizes the cost of providing post retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.

- D. Cash and Cash Equivalents: For financial statement purposes, all highly liquid investments having maturities of three months or less are considered as cash equivalents.
- E. Inventories: Inventories of food and supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.
- F. Capital Assets: Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 1,000	Straight Line	40 years
Building Improvements	\$ 1,000	Straight Line	40 years
Furniture, Equipment and Vehicles	\$ 1,000	Straight Line	5-10 years

Acquisitions of equipment and capital facilities are treated as expenditures in the various

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

funds of the District, and are also reflected in the general fixed asset group of accounts.

- G. Unearned revenue: Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability of unearned revenues is removed and revenues are recognized.
- H. Post-Employment Benefits: In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The cost of providing post-retirement benefits is paid by the District or is shared between the District and the retired employee, depending on length of service and/or classification of employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents as an expenditure or operating transfer to other funds in the General Fund in the year paid.
- I. Property Taxes: Real property taxes are levied annually by the Board of Education no later than September 1st. Uncollected real property taxes are subsequently enforced by the County of Clinton. An amount representing uncollected real property taxes is transmitted to the county for enforcement and is paid by the county to the District no later than the forthcoming April 1st.
- J. Retirement plan: The School District provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.
- K. Budgetary Procedures and Budgetary Accounting

a. General

The School District's policy relating to budgetary information as shown in the accompanying financial statements is as follows:

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the School District.

Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred.

The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

Budget appropriations lapse at year-end.

b. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

L. Equity Classifications:

District- wide statements:

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

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

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

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

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

Fund statements:

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

**Non-spendable** fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of \$32,824.

**Restricted** – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Note 1. Summary of Significant Accounting Policies (continued)**

regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has established the following restricted fund balances:

Employee Benefits Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due to 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.

Insurance

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

Retirement Contributions-ERS

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

Tax Certiorari

According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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.

NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the she 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.

Restricted-other

Represents amounts restricted for scholarships and extraclassroom activities.

**Committed** – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2021.

**Assigned** – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$17,471.

**Unassigned** – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

**Order of Use of Fund Balance:**

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

- M. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2021 and October 4, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

- N. 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.
- O. Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reported in the district-wide statement of Net Position. This amount represents differences between expected and actual experience, changes in assumptions or other inputs, and contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualifies for reporting in this category. The first item results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded debt. The second relates to pensions reported in the district-wide Statement of Net position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The third item relates to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

P. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2021, including GASB Statement No. 84, *Fiduciary Activities*.

# NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

#### A. Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance sheets.

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

Long-term assets are reported in the Statements of Net Position, but not in the governmental funds, because they are not available in the current period.

Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period.

#### Explanation of Differences Between Governmental Fund Balances and District Wide Net Assets

Ending fund balance reported on Balance Sheet- Governmental Funds (Exhibit 3)	\$ 7,686,802
Capital assets net of related depreciation	27,122,921
Building aid receivable- long term	519,215
Deferred outflows:	
Pensions - TRS	5,457,324
Pensions - ERS	1,907,146
Other post employment benefits	20,859,246
Accrued interest	(13,940)
Liabilities, long term	
Bonds payable and other long term debt	(6,889,325)
Other post employment benefits	(96,886,986)
Compensated absences	(2,450,717)
Net pension liability	(1,589,900)
Deferred inflows:	
Unamortized defeasance gain	(281,875)
Pensions - TRS	(914,509)
Pensions - ERS	(2,594,894)
Other post employment benefits	(4,526,017)
Ending net position reported on Statement of Net Position (Exhibit 1)	<u>\$ (52,595,509)</u>

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1. Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur as a result of proceeds from serial bonds reflected as revenue in governmental funds whereas they are a liability on the statement of net position. Also both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Other Post-Employment Benefits Differences

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 75 requires an actuarial calculation of the future liability and to record the OPEB Obligation in the Statement of Net Position.

5. Pension Differences

Pension differences occur as a result of changes in the District’s proportion of the collective net pension asset/liability and differences between the District’s



NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

contributions and its proportionate share of the total contributions to the pension systems.

Following are reconciliations of revenues and expenditures Governmental Funds to Statement of Activities.

Explanation of Differences Between Governmental Funds Operating Statement  
and the Statement of Activities

Total Revenues and other Funding Sources

**Revenues:**

Total revenues and other funding sources of governmental funds (Exhibit 4)	\$ 33,297,233
Donated equipment	<u>41,000</u>
Total Revenues Statement of Activities (Exhibit 7)	<u><u>\$ 33,338,233</u></u>

**Expenditures:**

Total expenditures reported in governmental funds (Exhibit 4)	\$ 33,001,420
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences used were more than the amount earned during the year.	(217,896)
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital expenditures in the current year.	6,114
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities.	(2,142,930)

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

During the 2017-18 year, the District refunded some of its existing debt. The difference between the amount of the new bond proceeds of \$10,380,000 and the outstanding bonds retired of \$10,995,000 was \$615,000, and is amortized as an adjustment of interest expense in the Statement of Activities over the average remaining life of the refunded debt (6 years), beginning in the fiscal year ended 6/30/18	
Current year amortization of defeasance gain	(102,500)
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense	
	4,710,125
Interest on long-term debt in the Statement of Activities differs from the amount reported in the government funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest expense was less than the prior year accrual.	
	(1,974)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for, or require, the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.	
Teachers' Retirement System	1,211,851
Employees' Retirement System	<u>(189,696)</u>
Total expenses of governmental activities in the Statement of Activities (Exhibit 7)	<u><u>\$ 36,274,514</u></u>
<u>Other Sources and Uses:</u>	
Total other sources and uses in governmental funds (Exhibit 4)	\$ 454,325
Proceeds from long term debt are other sources of income in the Capital Projects Fund, but are removed from the Statement of Activities and shown as a long term liability on the Statement of Net Position	(454,325)
Total other sources and uses in the Statement of Activities (Exhibit 7)	<u><u>\$ -</u></u>

## NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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#### Note 3. Cash and Investments

The District's investment policies are governed by State statutes and the District's own written policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and Districts.

At June 30, 2021, the District's bank balances totaled \$4,501,705 of which, \$250,000 was covered by Federal depository insurance and \$4,251,705 was covered by collateral held by the pledging banks in the District's name. The District is sufficiently collateralized as of June 30, 2021.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2021 was \$3,562,130.

#### Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2021 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 1,686,976	\$ 6,443	\$ 17	\$ 6,443
Capital	-	1,015,904	-	5
Debt Service	12	-	-	12
School Food Service	-	11,016	-	-
Special Aid	-	653,625	6,443	-
Total	\$ 1,686,988	\$ 1,686,988	\$ 6,460	\$ 6,460

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

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

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

The District typically transfers money from the General Fund to the Special Aid Fund for its share of special aid programs.

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 5. Capital Assets**

The following is a summary of changes in capital assets:

Capital Assets

	June 30, 2020			June 30, 2021	
	Ending Balance	Additions	Retirements/ Reclassifications	Ending Balance	
Governmental Activities					
Capital Assets that are not Depreciated:					
Land	\$ 84,013	\$ -	\$ -	\$ 84,013	
Construction in process	812,772	1,728,966	(1,470,164)	1,071,574	
Total Nondepreciable Historical Cost	896,785	1,728,966	(1,470,164)	1,155,587	
Capital Assets that are Depreciated:					
Buildings	45,507,951	74,447	-	45,582,398	
Machinery and Equipment	6,509,948	1,595,062	26,180	8,078,830	
Total Depreciable Historical Cost	52,017,899	1,669,509	26,180	53,661,228	
Less Accumulated Depreciation:					
Buildings	22,187,190	1,314,238	-	23,501,428	
Machinery and Equipment	3,639,459	579,187	26,180	4,192,466	
Total Accumulated Depreciation	25,826,649	1,893,425	26,180	27,693,894	
Total Depreciable Historical Cost, Net	26,191,250	(223,916)	-	25,967,334	
Total Net Assets	\$ 27,088,035	\$ 1,505,050	\$ (1,470,164)	\$ 27,122,921	

Depreciation was charged to governmental functions as follows:

	<b>6/30/2021</b>
General Support	\$ 37,574
Instruction	1,442,134
Pupil Transportation	413,717
	<u>\$ 1,893,425</u>

**Note 6. Compensated Absences**

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

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

# NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### Note 6. Compensated Absences (continued)

District employees are granted vacation in varying amounts, based primarily on length of service and service position.

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

In the fund 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.

### Note 7. Indebtedness

Short-term Debt: For Governmental Funds, notes issued in anticipation of the receipt of revenues is recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. At June 30, 2021 there was no short-term debt.

Long-term Debt: The following is a summary of changes in long-term debt:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Serial Bonds	\$ 7,185,000	\$ -	\$ 1,690,000	\$ 5,495,000
Statutory Installment Bonds	1,392,930	454,325	452,930	1,394,325
Compensated Absences	2,668,613	-	217,896	2,450,717
Other Post Employment Benefits	79,457,437	17,429,549	-	96,886,986
Total	\$ 90,703,980	\$ 17,883,874	\$ 2,360,826	\$ 106,227,028

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/21
Serial Bonds	2018	2024	3-5%	\$ 5,495,000
Serial Bonds	2018	2023	2.625-3%	190,000
Statutory Installment Bond	2019	2024	3.0%	275,000
Statutory Installment Bond	2021	2026	0.5-1.4%	454,325
Statutory Installment Bond	2017	2022	2.0%	100,000
Statutory Installment Bond	2020	2025	0.5%-2.3%	375,000
Total				\$ 6,889,325

Interest paid on serial bonds, bond anticipation notes, and other debt was \$342,061 for the year ended June 30, 2021. Adjustments for accrued interest of \$1,974 and amortization of defeasance gain of \$102,500 reduce interest expense to \$237,587.

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

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**Note 7. Indebtedness (continued)**

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30:	Principal	Interest	Total
2022	\$ 2,209,325	\$ 288,855	\$ 2,498,180
2023	2,195,000	194,459	2,389,459
2024	2,200,000	105,530	2,305,530
2025	190,000	4,530	194,530
2026	95,000	1,330	96,330
	<u>\$ 6,889,325</u>	<u>\$ 594,704</u>	<u>\$ 7,484,029</u>

In prior years, the District defeased certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

**Note 8. Pension Plans**General Information

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

Provisions and administrations**Teachers' Retirement System (TRS)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**


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**Note 8. Pension Plans (continued)****Employees' Retirement System (ERS)**

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

Funding policies

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

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

Contributions

	ERS	TRS
2021	\$ 398,365	\$ 909,475
2020	\$ 378,677	\$ 1,063,667
2019	\$ 377,040	\$ 974,998

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

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

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

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

	ERS	TRS
Measurement Date	3/31/2021	6/30/2020
Net Pension asset/(liability)	\$ (8,819)	\$ (1,581,081)
District's portion of the Plan's total net pension asset/(liability)	-0.0088565%	-0.057218%
Change in proportion since the prior measurement date	\$ 2,361,987	\$ (3,065,399)

For the year ended June 30, 2021, the District's recognized pension expense of \$222,092 for ERS and \$2,127,845 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 107,701	\$ 1,385,343	\$ -	\$ 81,027
Changes of assumptions	1,621,487	1,999,699	30,582	712,788
Net difference between projected and actual earnings on pension plan investments	-	1,032,584	2,533,270	-
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	65,660	124,679	31,042	120,694
District's contributions subsequent to the measurement date	112,298	915,019	-	-
Total	\$ 1,907,146	\$ 5,457,324	\$ 2,594,894	\$ 914,509

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:



**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Note 8. Pension Plans (continued)**

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2021	\$ -	\$ 615,072
2022	(132,999)	1,242,484
2023	(50,158)	1,009,423
2024	(133,529)	646,447
2025	(483,360)	40,582
Thereafter	-	73,788
Total	<u>\$ (800,046)</u>	<u>\$ 3,627,796</u>

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2021	6/30/2020
Actuarial valuation date	4/1/2020	6/30/2019
Interest rate	5.9%	7.10%
Salary scale	4.4%	1.90%-4.72%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System Experience
Inflation rate	2.7%	2.20%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019.

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

# NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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### Note 8. Pension Plans (continued)

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

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2021	6/30/2020
Asset Type:	%	%
Domestic equity	4.05	7.10
International equity	6.30	7.70
Private equity	6.75	10.40
Real estate	4.95	6.80
Domestic fixed income securities	-	1.80
Opportunistic portfolio/ARS portfolio	4.50	-
Credit	3.63	-
Real assets	5.95	-
Cash	0.50	0.70
Private debt	-	5.20
Global equities	-	7.40
Global bonds	-	1.00
High-yield bonds	-	3.90
Real estate debt	-	3.60

### Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.10% for TRS, as well as what the Districts' proportionate share of the net pension asset/ (liability) would be if it were calculated using a discount rate that is 1% (4.9% for ERS and 6.10% for TRS) or 1% higher (6.9% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	\$ (2,447,749)	\$ (8,819)	\$ 2,240,446
TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
Employer's proportionate share of the net pension asset (liability)	\$ (9,987,144)	\$ (1,581,081)	\$ 5,473,736

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:

	ERS	TRS	Total
Valuation date	3/31/2021	6/30/2020	
Employers' total pension asset/(liability)	\$ (220,680,157)	\$ (123,242,776,215)	\$ (123,463,456,372)
Plan Net Position	220,580,583	120,479,505,380	120,700,085,963
Employers' net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (2,763,270,835)</u>	<u>\$ (2,763,370,409)</u>
Ratio of plan net position to the			
Employers' total pension asset/ (liability)	-99.95%	-97.76%	-97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$112,298.

# NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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### Note 8. Pension Plans (continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$970,602.

### Note 9. Post-Employment (Health Insurance) Benefits

The District provides post employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating \$3,379,849 for 204 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

#### A. General Information about the OPEB Plan

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

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

*Employees Covered by Benefit Terms* – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	201
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>213</u>
	<u><u>414</u></u>

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**Note 9. Post-Employment (Health Insurance) Benefits (continued)**

**B. Total OPEB Liability**

The District's total OPEB liability of \$96,886,986 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2020.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary Increases	3.25 percent
Discount Rate	2.21 percent
Healthcare Cost Trend Rates	6.5 percent for 2022, decreasing annually to an ultimate rate of 3.94 percent for 2081 and later years

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2014.

**C. Changes in the Total OPEB Liability**

Balance at June 30, 2020	<u>\$ 79,457,437</u>
<u>Changes for the Year-</u>	
Service Cost	2,250,935
Interest	2,817,008
Changes of benefit terms	(110,666)
Differences between expected and actual experience	66,466
Changes in assumptions or other inputs	14,850,637
Benefit payments	<u>(2,444,831)</u>
Net Changes	<u>17,429,549</u>
Balance at June 30, 2021	<u><u>\$ 96,886,986</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% percent in 2020 to 2.21% percent in 2021.

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 9. Post-Employment (health insurance) Benefits (continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	<u>\$ 114,547,316</u>	<u>\$ 96,886,986</u>	<u>\$ 83,048,081</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 81,682,392</u>	<u>\$ 96,886,986</u>	<u>\$ 116,961,600</u>

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the District recognized OPEB expense of \$7,622,263. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,949,855	\$ -
Changes of assumptions or other inputs	14,997,253	4,526,017
Contributions subsequent to the measurement date	<u>2,912,138</u>	<u>-</u>
Total	<u>\$ 20,859,246</u>	<u>\$ 4,526,017</u>

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

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**Note 9. Post-Employment Benefits (continued)**

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

Fiscal Year Ending June 30,	Amount
2022	\$ 2,664,986
2023	2,664,986
2024	3,645,430
2025	3,366,341
2026	1,079,348
	<u>\$ 13,421,091</u>

**Note 10. Assigned Fund Balance - Encumbrances**

<u>June 30, 2021</u>	<u>General</u>
Central Administration	\$ 1,025
Instructional Media	16,446
	<u>\$ 17,471</u>

**Note 11. Commitments and Contingencies**

Risk Financing and Related Insurance - The Northeastern Clinton Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington 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. 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 risk 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.

## **NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021**

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#### **Note 11. Commitments and Contingencies (continued)**

The District is a defendant in certain lawsuits arising out of the ordinary course of business. While the outcome of lawsuits and other proceedings against the District cannot be predicted with certainty, the District does not expect that these matters will have a material adverse effect on its financial position.

The District has received Federal and State Aid Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District believes disallowances, not previously provided for, if any, will be immaterial.

From time to time the Northeastern Clinton Central School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. The District is not aware of any petitions for tax certiorari proceedings.

Operating Leases - The District Leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2021 were approximately \$36,974.

#### **Note 12. Joint Venture**

The Northeastern Clinton Central School is one of 16 component school districts in the Clinton-Essex-Warren-Washington 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 Section 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 (Section 1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 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, Section 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 Section 1950 of the Education Law.

During the year ended June 30, 2021 the Northeastern Clinton Central School District was billed \$4,064,703 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2021, the Northeastern Clinton Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES



## NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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#### Note 12. Joint Venture (continued)

administrative office at P.O. Box 485, Plattsburgh, New York. The District's share of BOCES aid amounted to \$1,429,514. BOCES also refunded the District \$218,550 for excess expenses billed in prior years.

#### Note 13. Stewardship, Compliance and Accountability

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2021 was \$3,228,627 which represents 10.45% of next year's budget. The excess amounted to \$1,992,396.

#### Note 14. Tax Abatements

The County of Clinton, entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced \$99,551. The District received Payment in Lieu of Tax (PILOT) totaling \$47,746.

#### Note 15. Change in Accounting Principle

The District implemented GASB Statement No. 84, *Fiduciary Activities* during the year ended June 30, 2021. As such, certain amounts historically reported in the Fiduciary Fund were moved to the Governmental Funds, as follows:

Scholarship Fund	\$ 108,752
Extraclassroom Activities Fund	<u>83,755</u>
Total prior period adjustment	192,507
 Governmental Fund Balance, as previously reported	 <u>6,744,157</u>
 Governmental Fund Balance, restated	 <u><u>\$ 6,936,664</u></u>

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NON-MAJOR FUNDS**

**June 30, 2021**

	Scholarship Fund	Extraclassroom Activities Fund	Total
<b>ASSETS</b>			
Cash	\$ 136,203	\$ 72,554	\$ 208,757
<b>Total Assets</b>	<u>\$ 136,203</u>	<u>\$ 72,554</u>	<u>\$ 208,757</u>
<b>FUND BALANCES</b>			
<b>Total Fund Balances</b>	<u>\$ 136,203</u>	<u>\$ 72,554</u>	<u>\$ 208,757</u>

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - NON-MAJOR FUNDS**

**Year Ended June 30, 2021**

	Scholarship Fund	Extraclassroom Activities Fund	Total
<b>REVENUES</b>			
Gifts and contributions	\$ 40,137	\$ -	\$ 40,137
Miscellaneous revenue	-	5,543	5,543
Investment earnings	64	-	64
<b>Total Revenues</b>	<u>40,201</u>	<u>5,543</u>	<u>45,744</u>
<b>EXPENDITURES</b>			
Scholarships and awards	12,750	-	12,750
Disbursements-extraclassroom	-	16,744	16,744
<b>Total Expenditures</b>	<u>12,750</u>	<u>16,744</u>	<u>29,494</u>
<b>Changes in Fund Balances</b>	27,451	(11,201)	16,250
<b>Fund Balances, Beginning</b>	<u>108,752</u>	<u>83,755</u>	<u>192,507</u>
<b>Fund Balances, Ending</b>	<u>\$ 136,203</u>	<u>\$ 72,554</u>	<u>\$ 208,757</u>

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT**  
**Year Ended June 30, 2021**

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**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted budget	\$ 31,726,037
Add: Grants - CARES Act	<u>367,186</u>
Final budget	<u><u>\$ 32,093,223</u></u>

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

201-2022 expenditure budget	\$ 30,905,787
Maximum allowed (4% of 2021-22 budget)	

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

Unrestricted fund balance:	
Assigned fund balance	\$ 792,471
Unassigned fund balance	<u>3,228,627</u>
Total unrestricted fund balance	<u>4,021,098</u>

Less:

Appropriated fund balance	775,000
Encumbrances included in assigned fund balance	<u>17,471</u>
Total adjustments	<u>792,471</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	<u><u>\$ 3,228,627</u></u>
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Actual percentage	<u><u>10.45%</u></u>
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**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

**Year Ended June 30, 2021**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local Sources:				
Real Property Taxes	\$ 9,436,760	\$ 9,436,760	\$ 9,734,931	\$ 298,171
Other Tax Items/STAR Aid	2,041,472	2,041,472	1,766,187	(275,285)
Charges for Services	1,500	1,500	-	(1,500)
Other Districts and Governments	286,000	286,000	368,984	82,984
Use of Money and Property	40,000	40,000	3,378	(36,622)
Sale of Property and Compensation for Loss	2,000	2,000	14,294	12,294
Miscellaneous	230,000	230,000	492,529	262,529
State Sources	17,828,115	17,828,115	18,220,958	392,843
Federal Sources	60,000	427,186	251,361	(175,825)
<b>Total Revenues</b>	<b>29,925,847</b>	<b>30,293,033</b>	<b>30,852,622</b>	<b>559,589</b>
Other Financing Sources				
Interfund Transfers	405,190	405,190	17	(405,173)
	405,190	405,190	17	(405,173)
<b>Total Revenues and Appropriated Fund Balance</b>	<b>\$ 30,331,037</b>	<b>\$ 30,698,223</b>	<b>\$ 30,852,639</b>	<b>\$ 154,416</b>

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General Support:					
Board of Education	\$ 18,390	\$ 17,220	\$ 10,896	\$ -	\$ 6,324
Central Administration	207,696	219,621	216,873	1,025	1,723
Finance	306,256	304,639	299,191	-	5,448
Staff	91,935	113,144	106,705	-	6,439
Central Services	1,594,814	1,621,758	1,507,863	-	113,895
Special Items	701,415	702,494	702,174	-	320
Instructional:					
Administration and Improvement	802,430	826,156	781,409	-	44,747
Teaching - Regular School	6,634,236	6,708,241	6,432,148	-	276,093
Programs for Children with Handicapping Conditions	5,043,941	5,014,808	4,422,401	-	592,407
Occupational Education	859,947	859,947	859,947	-	-
Teaching - Special Schools	4,000	4,000	-	-	4,000
Instructional Media	747,291	887,479	753,788	16,446	117,245
Pupil Service	989,947	981,201	821,505	-	159,696
Pupil Transportation	1,377,879	1,356,759	1,115,951	-	240,808
Employee Benefits	9,749,513	9,879,409	9,367,224	-	512,185
Debt Service	2,496,347	2,489,904	2,484,991	-	4,913
<b>Total Expenditures</b>	<b>31,626,037</b>	<b>31,986,780</b>	<b>29,883,066</b>	<b>17,471</b>	<b>2,086,243</b>
Other Uses:					
Interfund Transfer	100,000	106,443	6,443	-	100,000
<b>Total Expenditures and Other Uses</b>	<b>31,726,037</b>	<b>32,093,223</b>	<b>29,889,509</b>	<b>\$ 17,471</b>	<b>\$ 2,186,243</b>
<b>Net Change in Fund Balance</b>	<b>(1,395,000)</b>	<b>(1,395,000)</b>	<b>963,130</b>		
<b>Fund Balance - Beginning</b>	<b>5,477,592</b>	<b>5,477,592</b>	<b>5,477,592</b>		
<b>Fund Balance - Ending</b>	<b>\$ 4,082,592</b>	<b>\$ 4,082,592</b>	<b>\$ 6,440,722</b>		

See Independent Auditor's Report

NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND

Year Ended June 30, 2021

Project Title	Expenditures					Methods of Financing					Fund Balance June 30, 2021
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	
CP2021	\$ 32,767,755	\$ 32,767,755	\$ 19,750	\$ 1,051,824	\$ 1,071,574	\$ 31,696,181	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 928,426
Buses	454,320	454,320	-	454,320	454,320	-	454,325	-	-	454,325	5
Smart Schools	1,015,844	1,015,844	793,022	222,822	1,015,844	-	-	1,015,844	-	1,015,844	-
<b>Totals</b>	<b>\$ 34,237,919</b>	<b>\$ 34,237,919</b>	<b>\$ 793,022</b>	<b>\$ 1,728,966</b>	<b>\$ 2,541,738</b>	<b>\$ 31,696,181</b>	<b>\$ 454,325</b>	<b>\$ 1,015,844</b>	<b>\$ 2,000,000</b>	<b>\$ 3,470,169</b>	<b>928,431</b>
Transfer excess to General Fund											(5)
Fund Balance at June 30, 2021											<u>\$ 928,426</u>

See Independent Auditor's Report

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**NET INVESTMENT IN CAPITAL ASSETS**

**Year Ended June 30, 2021**

Capital Assets, Net	\$	27,122,921
Deduct:		
Unamortized defeasance gain		281,875
Short-term portion of bonds payable		2,209,325
Long-term portion of bonds payable		4,680,000
Net investment in capital assets	\$	<u>19,951,721</u>



**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

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

**Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	\$ 2,250,935	\$ 2,102,899	\$ 2,302,299	\$ 2,962,034
Interest	2,817,008	2,839,552	2,443,229	2,111,476
Changes in benefit terms	(110,666)	-	-	-
Differences between expected and actual experience	66,466	-	5,987,235	-
Changes of assumptions or other inputs	14,850,637	4,437,200	(2,878,382)	(8,755,224)
Benefit payments	<u>(2,444,831)</u>	<u>(2,385,517)</u>	<u>(1,912,502)</u>	<u>(1,843,432)</u>
Net change in total OPEB liability	17,429,549	6,994,134	5,941,879	(5,525,146)
Total OPEB liability - beginning	<u>\$ 79,457,437</u>	<u>\$ 72,463,303</u>	<u>\$ 66,521,424</u>	<u>\$ 72,046,570</u>
Total OPEB liability - Ending	<u><u>\$ 96,886,986</u></u>	<u><u>\$ 79,457,437</u></u>	<u><u>\$ 72,463,303</u></u>	<u><u>\$ 66,521,424</u></u>
Covered payroll	\$ 12,750,943	\$ 12,623,410	\$ 12,534,908	\$ 12,334,298
Total OPEB liability as a percentage of covered payroll	760%	629%	578%	539%

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

Changes in benefit terms reflects the change in contribution for future Superintendent retirees from 0% to 18%.

Changes of assumptions and other inputs reflects the change in the discount rate from 3.5% to 2.21% at the current measurement date.

**NORTHEASTERN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Year Ended June 30, 2021**

**NYSERS Pension Plan  
Last 10 Fiscal Years\***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.0088565%	0.0089530%	0.0093860%	0.0096713%	0.0086441%	0.0089393%	0.0089727%			
District's proportionate share of the net pension liability (asset)	\$ 8,819	\$ 2,370,806	\$ 665,024	\$ 312,137	\$ 812,221	\$ 1,434,789	\$ 303,120			
District's covered- employee payroll	\$ 2,817,056	\$ 2,830,591	\$ 2,945,919	\$ 2,729,028	\$ 2,706,842	\$ 3,228,509	\$ 2,712,004			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.31%	83.76%	22.57%	11.44%	30.01%	44.44%	11.18%			
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			

\* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**NORTHEASTERN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**Year Ended June 30, 2021**

NYSERS Pension Plan  
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 398,365	\$ 378,677	\$ 377,040	\$ 392,187	\$ 348,290	\$ 413,035	\$ 437,687	\$ 473,123	\$ 486,792	\$ 354,644
Contributions in relation to the contractually required contribution	\$ 398,365	\$ 378,677	\$ 377,040	\$ 392,187	\$ 348,290	\$ 413,035	\$ 437,687	\$ 473,123	\$ 486,792	\$ 354,644
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 2,817,056	\$ 2,830,591	\$ 2,945,919	\$ 2,729,028	\$ 2,706,842	\$ 3,228,509	\$ 2,712,004			
Contributions as a percentage of covered employee payroll	14.1%	13.4%	12.8%	14.4%	12.9%	12.8%	16.1%			

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

**NORTHEASTERN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Year Ended June 30, 2021**

NYSTRS Pension Plan  
Last 10 Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.057218%	0.057133%	-0.058408%	-0.059171%	0.055987%	-0.057027%	-0.055612%	-0.058882%		
District's proportionate share of the net pension liability (asset)	\$ 1,581,081	\$ (1,484,318)	\$ (1,056,162)	\$ (449,757)	\$ 599,641	\$ (5,923,303)	\$ (6,194,777)	\$ (387,593)		
District's covered- employee payroll	\$ 9,738,576	\$ 9,713,012	\$ 9,674,436	\$10,692,951	\$ 10,457,436	\$ 8,457,912	\$ 8,378,993			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.24%	-15.28%	-10.92%	-4.21%	5.73%	-70.03%	-73.93%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.48%			

\* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**NORTHEASTERN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**Year Ended June 30, 2021**

NYSTRS Pension Plan  
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 859,973	\$ 1,012,768	\$ 932,365	\$ 1,098,940	\$ 1,145,573	\$ 1,501,664	\$ 1,334,887	\$ 1,021,194	\$ 997,747	\$ -
Contributions in relation to the contractually required contribution	\$ 859,973	\$ 1,012,768	\$ 932,365	\$ 1,098,940	\$ 1,145,573	\$ 1,501,664	\$ 1,334,887	\$ 1,021,194	\$ 997,747	\$ -
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 9,738,576	\$ 9,713,012	\$ 9,674,436	\$ 10,692,951	\$ 10,457,436	\$ 8,457,912	\$ 8,378,993			
Contributions as a percentage of covered employee payroll	8.83%	10.43%	9.64%	10.28%	10.95%	17.75%	15.93%			

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Education</b>			
<b>Pass-Through New York State Department of Education:</b>			
Special Education Cluster:			
IDEA - Part B, Section 611	84.027	0032-21-0134	\$ 353,662
IDEA - Part B, Section 619	84.173	0033-21-0134	13,487
Total Special Education Cluster			<u>367,149</u>
 Title I PT A Improv Acad Achmt	 84.010	 0021-21-0485	 <u>345,373</u>
Title II A Teach/ Prin Trng/ Recruitmt	84.367	0147-21-0485	61,171
Title IV SSAE Allocation	84.424	0204-21-0485	<u>26,027</u>
 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF	 84.425D	 5890-21-0485	 155,260
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER	84.425C	5895-21-0485	22,263
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER II	84.425C	5896-21-0485	5,163
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			<u>182,686</u>
 <b>Total Department of Education</b>			 <u>982,406</u>
<b>U.S. Department of Agriculture</b>			
<b>Pass-through New York State Department of Education</b>			
National School Lunch Program - Commodities	10.555	N/A	29,905
COVID-19 Summer Food Service Program	10.559	N/A	370,497
Total Child Nutrition Cluster			<u>400,402</u>
 <b>Total Department of Agriculture</b>			 <u>400,402</u>
 <b>Total Federal Assistance Expended</b>			 <u><u>\$ 1,382,808</u></u>

## **NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2021**

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

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

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

# ***BOULRICE & WOOD CPAS, P.C.***

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## ***Certified Public Accountants***

***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

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

To the Board of Education  
Northeastern Clinton Central School District  
Champlain, New York 12919

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, the business-type activities, each major fund and the aggregate remaining fund information of Northeastern Clinton Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Northeastern Clinton Central School District's basic financial statements and have issued our report thereon dated October 4, 2021.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Northeastern Clinton Central 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 Northeastern Clinton Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Northeastern Clinton Central 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Northeastern Clinton Central School District'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. The finding is referenced as 2021-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Northeastern Clinton Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

### **District's Response to Findings**

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

### **Purpose of this Report**

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

*Boulrice & Wood CPAs, PC*

Boulrice & Wood CPA's, PC  
October 4, 2021

# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

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

To the Board of Education  
Northeastern Clinton Central School District  
Champlain, New York 12919

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

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

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

In our opinion, Northeastern Clinton Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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

Management of Northeastern Clinton Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northeastern Clinton Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 Northeastern Clinton Central School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Boulrice & Wood CPAs, PC*

Boulrice & Wood CPA's, PC  
October 4, 2021

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2021

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**SECTION I - SUMMARY OF AUDIT RESULTS**

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Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
· Material weakness(es) identified?	_____ yes	<u>  X  </u> no
· Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>  X  </u> yes	_____ none
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u> no

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	_____ yes	<u>  X  </u> no
· Significant deficiency(ies) identified not considered to be a material weakness?	_____ yes	<u>  X  </u> none
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)	_____ yes	<u>  X  </u> no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program - Commodities
10.559	COVID-19 Summer Food Service Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk Auditee?	<u>  X  </u> yes      _____ no

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2021**

**SECTION II – FINANCIAL STATEMENTS**

**2021-001 Excess Fund Balance**

Condition: The District's unassigned general fund balance was 10.45% of next year's budget.

Effect: The District's unassigned general fund balance was 6.45% or \$1,992,396 over the amount allowable by law.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Recommendation: We recommend the District keep in mind this law when preparing next year's budget.

Corrective Action: The District has seen an increase in its unassigned fund balance amount due to the Federal and State Funds that were provided in response to the COVID-19 Pandemic. These funds were awarded after the 2020-21 budgets were adopted. Prior to the award of these funds the District operated on the premise that out State Aid would be reduced 20% and were operating with limited staff and programs. After the award of the ARP (American Rescue Plan) Grants and an increase in our Foundation Aid the District now has, for the short term, an opportunity to fund staff and programs as the recovery process begins. However, the District will be doing its due diligence when allocating these funds as to not create a funding cliff in 2024-25 once these funds are exhausted. Therefore, the District's Fund Balance number may be temporarily inflated and with the intent to be used to cushion the transition from recovery back to operations under limited funding sources of State Aid and Local Tax Revenue.

**SECTION III – MAJOR FEDERAL AWARDS**

None

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2021**

**There were no prior year audit findings.**

# ***BOULRICE & WOOD CPAS, P.C.***

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## ***Certified Public Accountants***

***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT**

To the School Board  
Northeastern Clinton Central School District  
Champlain, New York 12919

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Northeastern Clinton Central School District as of and for the year June 30, 2021, and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

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

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

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***206 West Bay Plaza • Plattsburgh, NY 12901 • Phone 518-561-3790 • Fax 518-561-4044***

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Northeastern Clinton Central School District as of June 30, 2021, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

### **Basis of Accounting**

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

*Boulrice & Wood CPAs, PC*

Boulrice & Wood CPA's, PC  
October 4, 2021



**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS**

**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 72,554</u>	<u>\$ 83,755</u>
<b>Total Assets</b>	<u><u>\$ 72,554</u></u>	<u><u>\$ 83,755</u></u>
 <b>FUND BALANCE</b>		
Extraclassroom Activity	<u>\$ 72,554</u>	<u>\$ 83,755</u>
<b>Total Fund Balance</b>	<u><u>\$ 72,554</u></u>	<u><u>\$ 83,755</u></u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.

**NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES -  
CASH BASIS**

**Year Ended June 30, 2021**

Activity	Balance 6/30/2020	Receipts	Disbursements	Balance 6/30/2021
Class of 2021	\$ 2,713	\$ -	\$ 2,839	\$ (126)
Class of 2022	5,543	-	3,487	2,056
Class of 2023	1,226	-	450	776
Class of 2024	2,929	-	601	2,328
Class of 2025	3,738	-	451	3,287
Class of 2026	2,548	27	-	2,575
7th Grade	1,066	370	53	1,383
Band	5,178	96	698	4,576
Drama Club	10,087	407	2,159	8,335
Foosball Club	660	-	-	660
French Club	1,004	2,589	2,318	1,275
Community Club- HS	163	-	-	163
Harvard Model UN	757	-	-	757
National Honor Society	408	-	-	408
Student Council	2,602	-	400	2,202
North Country Model UN	3,217	-	-	3,217
Outdoors Education	16,760	-	-	16,760
Yearbook Club	2,743	1,472	2,430	1,785
Community Club- MS	1,537	-	-	1,537
NCCS Outdoor Club	277	-	-	277
Chorus	6,442	193	182	6,453
Marketing Club	10,238	364	415	10,187
Sales Tax	1,919	25	261	1,683
Total	<u>\$ 83,755</u>	<u>\$ 5,543</u>	<u>\$ 16,744</u>	<u>\$ 72,554</u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.

## NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT

### EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS

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

Basis of Accounting: The books and records of the Northeastern Clinton Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Northeastern Clinton Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.