

**BEMUS POINT CENTRAL
SCHOOL DISTRICT**
AUDIT REPORTING PACKAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS
2021 REPORTING PACKAGE

	<u>Section</u>
School District's Audited Financial Statements	1
School District's Management Letter	2
Extraclassroom Activity Fund Audited Financial Statement.....	3
Extraclassroom Activity Fund Management Letter	4
Letter to those Charged with Governance	5

**BEMUS POINT CENTRAL
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

BEMUS POINT CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report		1-2
Management's Discussion and Analysis		3-9
Government-wide Financial Statements		
Statement of Net Position	1	10
Statement of Activities	2	11
Fund Financial Statements		
Combined Balance Sheet - Governmental Funds.....	3	12
Combined Statement of Revenue, Expenditures and Changes in Fund Equity - Governmental Funds	4	13
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	5	14
Reconciliation of Governmental Funds Revenue, Expenditures and Changes in Fund Equity to the Statement of Activities.....	6	15
Notes to the Financial Statements		16-33
Supplementary Information		
Combining Schedule of Revenue and Expenditures and Changes In Fund Equity - Budget and Actual - Governmental Funds.....	SS1&SS1A	34-35
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit.....	SS2	36
Schedule of Project Expenditures - Capital Projects Fund.....	SS3	37
Budget Comparison Statement for State and Other Grant Programs - Special Aid and Food Service Funds	SS4A	38
Notes to Schedule of Expenditures of Federal Awards.....	SS4B	39
Schedule of Expenditures of Federal Awards	SS4C	39
Schedule of Net Investment in Capital Assets	SS5	40
Schedule of Changes in the District's Net OPEB Liability and Related Ratios.....	SS6	41
Schedule of District Contributions - OPEB.....	SS7	42
Schedule of District Contributions – New York State Teachers' Retirement System (NYSTRS) and New York State and Local Employees' Retirement System (NYSLERS).....	SS8	43
Schedule of District's Proportionate Share of the Net Pension Asset (Liability) - New York State Teachers' Retirement System (NYSTRS) and District's Proportionate Share of the Net Pension Liability - New York State and Local Employees' Retirement System (NYSLERS)	SS9	44
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"		45-46
Schedule of Findings and Questioned Costs		47-48
Schedule of Prior Audit Findings		49



INDEPENDENT AUDITOR'S REPORT

**To the President and Members of
The Board of Education
Bemus Point Central School District
Bemus Point, New York**

We have audited the accompanying financial statements of the governmental activities and each major fund of **Bemus Point 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 **Bemus Point Central School District's** basic financial statements as listed in the accompanying table of contents. We have also audited the fiduciary fund types of the **Bemus Point Central School District** as of June 30, 2021, as displayed in the District's basic 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 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 aggregate remaining fund information of **Bemus Point 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.

Change in Accounting Principle

Bemus Point Central School District has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities (GASB 84). As a result of the implementation of GASB 84, the District reported a restatement of the Governmental Activities and Governmental Funds beginning fund balance for the change in accounting principle, as described in Note 1 to the financial statements. Our opinion is not modified with respect to the restatement.

Prior Period Financial Statements

The financial statements of **Bemus Point Central School District** as of June 30, 2020, were audited by other auditors whose report dated September 25, 2020, expressed an unmodified opinion on the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 9), budgetary comparison information (pages 34 through 35), schedule of changes in the District's net OPEB liability and related ratios (page 41), schedule of District contributions – OPEB (page 42), schedule of the District's contributions for defined benefit pension plans (page 43), and schedule of the District's share of the net pension asset/liability (page 44), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Bemus Point Central School District's** basic financial statements. The combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2021 on our consideration of **Bemus Point Central School District's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Bemus Point Central School District's** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Jamestown, New York
October 4, 2021**

I. Discussion and Analysis

The following is a discussion and analysis of the *Bemus Point Central School District's* financial performance for the year ended June 30, 2021. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which follows this section.

II. Financial Highlights

The following items are the financial highlights experienced by the *Bemus Point Central School District* during the fiscal year ended June 30, 2021:

- Overall net position of the District increased during the current year from operations in the amount of \$391,000 as compared to an increase of \$352,000 during the prior fiscal year.
- The District's total revenue increased 1% from \$15,760,000 for the year ended June 30, 2020 to \$15,850,000 for the year ended June 30, 2021 due to an increase in property taxes and federal sources offset by a decrease in program revenue.
- The District's total expenses increased approximately 0% from \$15,408,000 during the year ended June 30, 2020 to \$15,459,000 during the year ended June 30, 2021.
- The District's had capital outlays during the current year in the amount of approximately \$2,168,000 which primarily related to the capital reconstruction project, a capital outlay project and vehicle and equipment purchases.

III. Overview of the Financial Statements

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

**III. Overview of the Financial Statements
(continued)**

A. Reporting the School District as a Whole (District-wide Financial Statements):

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

1. Statement of Net Position

The Statement of Net Position (page 10) shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

2. Statement of Activities

The Statement of Activities (page 11) shows the amounts of program-specific and general District revenue used to support the District's various functions.

The Statement of Net Position and Statement of Activities divide the activities of the District into two categories: governmental activities (the school functions, including general support, instruction, transportation, administration, etc.; property taxes, state and federal revenue usually support most of these functions) and proprietary activities. The District only had governmental activities during the current fiscal year.

The two district-wide statements report the School District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources – is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**III. Overview of the Financial Statements
(continued)**

B. Reporting the District's Most Significant Funds (Fund Financial Statements):

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate column.

The District has two kinds of funds:

1. Governmental Funds

Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently the governmental funds

**III. Overview of the Financial Statements
(continued)**

B. Reporting the District's Most Significant Funds (Fund Financial Statements): (continued)

1. Governmental Funds (continued)

statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

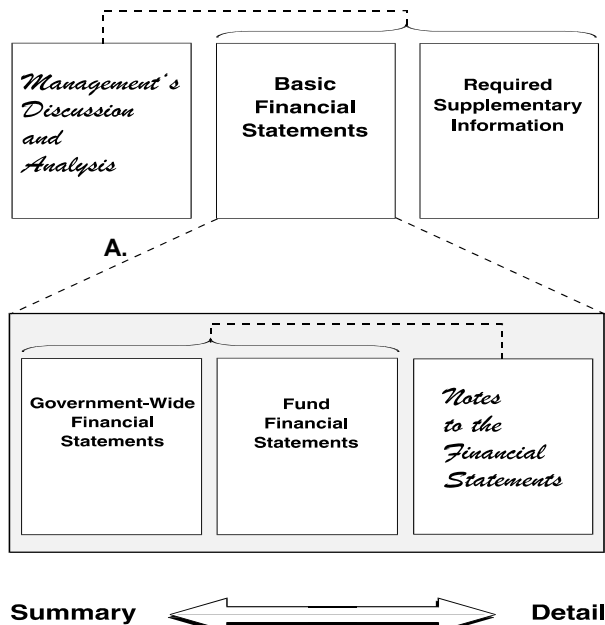
2. Fiduciary Funds

As discussed in Note 1, the District implemented GASB 84, fiduciary activities and as a result do not have activities that qualify for reporting as a fiduciary activity under this new standard.

Figure A-1 - Major Features of the District-Wide Statements and Fund Financial Statements

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources /liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-2 - Required Components of the District's Annual Financial Report



IV. Financial Analysis of the School District as a Whole (continued)

Changes in Net Position (continued)

The total cost of all programs and services of the District increased 0% to \$15,459,000. The District's expenses cover a range of services, with 71% related to instruction and 17% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

Governmental Activities

Revenue of the District's governmental activities increased approximately 1%, while total expenses increased 0%. The District's total net position increased approximately \$391,000 during the fiscal year ended June 30, 2021.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$15,850,000 for the fiscal year ended June 30, 2021. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 56% of the District's total revenue for governmental activities increased 2% during the year ended June 30, 2021 due to an increase in the tax levy.
- The District's state sources which represent \$5,970,000 or 38% of total governmental revenue. The District's state sources increased approximately 1% during the current year. The District recorded revenue related to its smart school bond project which was offset by a decrease in State basic aid during the current year.
- During the year ended June 30, 2021, the District saw a decrease in program revenue, which resulted from a decrease in charges for services of \$144,000 and a decrease in operating grants and contributions of \$149,000. The decrease in operating grants and contributions is primarily related to a decrease in federal grant monies received and expended in the current year. The decrease in charges for services is related to a decrease in non-reimbursable meals and outside tuition from other districts.
- The District also received an increase in federal sources as a result of receiving Cares Act monies related to the COVID-19 pandemic.

IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately \$13,669,000. The components of net position include: net investment in capital assets, of \$11,697,000; restricted net position of \$2,408,000 and unrestricted net position - deficit of \$-436,000.

Changes in Net Position

The District's total government-wide revenue increased by approximately 1% to \$15,850,000. Approximately 56%, 3% and 38% of total revenue is derived from the property taxes, operating grants, and state aid, respectively. The remaining 3% comes from federal aid, use of money and property, miscellaneous and charges for services.

IV. Financial Analysis of the School District as a Whole (continued)

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service costs and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$15,459,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support costs increased by approximately \$317,000 or 14%. This increase was primarily the result of an increase in BOCES expenses and material and supply costs.
- The District's instruction costs increased by approximately \$36,000 or 0%.
- Debt service costs decreased \$32,000 during the current year due to a decrease in interest expense.
- Transportation costs of the District decreased \$307,000 or 23% during the year ended June 30, 2021 due to a decrease in salaries, contractual expenses and employee benefits.
- The District's cost of sales (food service fund) totaled \$152,000 during the current year as compared to \$113,000 during the fiscal year ended June 30, 2020. This increase was the result of an increase in cost of sales.
- The District received approximately \$570,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$14.9 million) were financed by real property taxes and state aid.

IV. Financial Analysis of the School District as a Whole (continued)

Figure A-3 – Condensed Statement of Net Position

<i>Bemus Point Central School District</i>			
<i>Condensed Statement of Net Position (in thousands of dollars)</i>			
	Governmental Activities and Total District-wide		
	2021	2020	% Change
Assets			
Current and other assets	\$ 5,660	\$ 4,894	16%
Capital assets	25,726	24,919	3%
Total assets	31,386	29,813	5%
Deferred outflows of resources	4,211	3,702	14%
Total assets and deferred outflows	\$ 35,597	\$ 33,515	6%
Liabilities			
Other liabilities	\$ 1,524	\$ 2,305	-34%
Long-term liabilities	18,239	16,700	9%
Total liabilities	19,763	19,005	4%
Deferred inflows of resources	2,165	1,300	67%
Net position			
Net investment in capital assets	11,697	11,533	1%
Restricted	2,408	1,765	36%
Unrestricted	(436)	(88)	395%
Total net position	13,669	13,210	3%
Total liabilities, deferred inflows and net position	\$ 35,597	\$ 33,515	6%

Figure A-4 – Changes in Net Position

<i>Bemus Point Central School District</i>			
<i>Changes in Net Position from Operating Results (in thousands of Dollars)</i>			
	Governmental Activities and Total District-wide		
	2021	2020 **	% Change
Revenue			
Program revenue			
Charges for services	\$ 102	\$ 246	-59%
Operating grants and contributions	468	617	-24%
General revenue			
Real property taxes	8,982	8,780	2%
Use of money & property	18	41	-56%
Sale of property & comp for loss	10	17	-41%
State sources	5,970	5,934	1%
Federal sources	161	-	n/a
Miscellaneous	139	125	11%
Total revenue	15,850	15,760	1%
Expenses			
General support	2,557	2,240	14%
Instruction	11,083	11,047	0%
Transportation	1,016	1,323	-23%
Community services	-	2	-100%
Debt service - interest	651	683	-5%
Food service program	152	113	35%
Total expenses	15,459	15,408	0%
Change in net position	\$ 391	\$ 352	

**certain amounts were reclassified to conform to current year presentations.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Figure A-5 – Sources of revenue

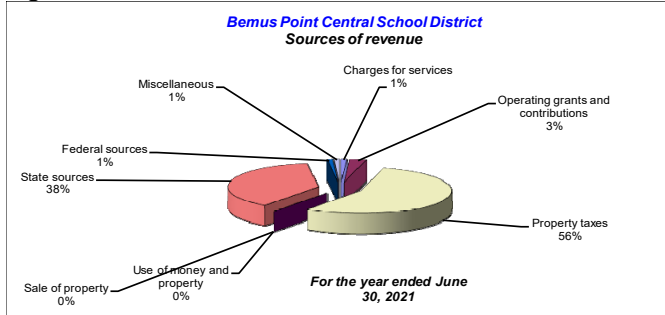


Figure A-6 - Expenses

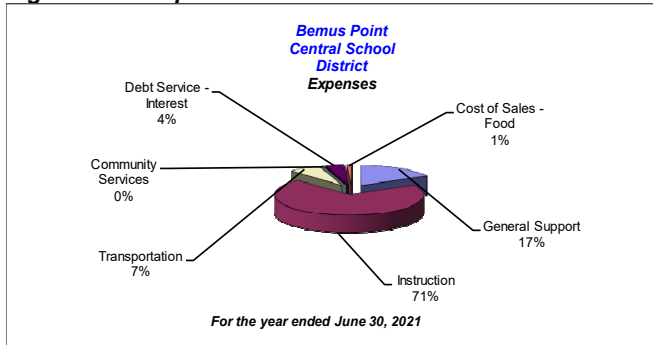


Figure A-7 – Expenditures Supported with Program Revenue

	Governmental Activities & Total District	
	2021	2020
Expenditures supported with general revenue (from taxes & other sources)	\$ 14,889 96%	\$ 14,544 94%
Expenditures supported with program revenue	569 4%	863 6%
Total expenditures related to governmental activities	\$ 15,458 100%	\$ 15,407 100%

Figure A-8 – Net Cost of Governmental Activities

	Total cost of services			Net cost of services		
	2021	2020	Change	2021	2020	Change
General support	\$ 2,557	\$ 2,240	\$ 317	\$ 2,557	\$ 3,396	\$ (839)
Instruction	11,082	11,046	36	10,680	9,448	1,232
Transportation	1,016	1,323	(307)	1,011	1,026	(15)
Community Services	-	2	(2)	-	2	(2)
Debt service - interest	651	683	(32)	651	683	(32)
Cost of sales - food	152	113	39	(10)	(11)	1
Total	\$ 15,458	\$ 15,407	\$ 51	\$ 14,889	\$ 14,544	\$ 345

V. Financial Analysis of the School District's Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund revenues and other sources exceeded its revenues and other uses by approximately \$779,000.
- The District's general fund unassigned fund balance equated to approximately \$928,000 as of June 30, 2021.
- The District had many fund balance reserves during the year ended June 30, 2021, and had a total restricted fund balance of approximately \$1,799,000.
- The District's total assets increased approximately \$912,000 as of June 30, 2021 due to an increase in cash. The District's liabilities increased approximately \$132,000 as a result of an increase in accrued expenses.
- Total revenue in the District's general fund decreased \$66,000 which was primarily related to a decrease in State aid offset by an increase in property taxes and federal sources. Total expenditures in the District's general fund decreased \$750,000 resulting from a decrease in instructional salaries, contractual expenses and interfund transfers.

Food Service Fund

- The District's food service fund experienced a \$9,000 increase in fund equity during the current fiscal year.
- Revenue in the District's food service fund was \$161,000 during 2021 as compared with \$131,000 in 2020. Expenditures were \$152,000 during 2021 as compared with \$122,000 in 2020. These increase in revenue can be attributed to an increase in federal sources due to the District receiving a higher reimbursement rate from the summer food service program.

Special Aid Fund

- The District's special aid fund revenue and expenditures decreased approximately \$151,000 or 31% in the current year primarily related to a decrease in Title I and summer school spending.

VI. General Fund Budgetary Highlights

Over the course of the year, the District makes many budget transfers. Actual expenditures were approximately \$1,380,000 below the revised budget. The most significant positive variances were in the areas of instruction and employee benefits which totaled \$855,000 and \$207,000, respectively, below that budgeted. On the other hand, resources available for appropriations were approximately \$116,000 above the final budgeted amount. With the most significant variances being federal sources which were \$131,000 above, that budgeted.

Figure A-9 – Budget vs. Actual Comparison

<i>Bemus Point Central School District</i>				
<i>General Fund - Budget vs Actual Comparison (in thousands of dollars)</i>				
	Revised Budget	Actual	Difference	
Revenue				
Local sources	\$ 9,141	\$ 9,178	\$	37
State sources	5,804	5,752		(52)
Federal sources	30	161		131
Operating transfers	-	-		-
Total revenue	\$ 14,975	\$ 15,091	\$	116
Expenditures				
General support	\$ 2,019	\$ 1,873	\$	146
Instruction	7,843	6,988		855
Transportation	677	512		165
Employee benefits	3,093	2,886		207
Debt service	1,934	1,934		-
Community services	4	-		4
Interfund transfers	122	119		3
Total expenditures	\$ 15,692	\$ 14,312	\$	1,380

VII. Capital Assets and Debt Administration

Capital Assets

As depicted in Figure A-10, as of June 30, 2021, the District had invested approximately \$25,726,000 in a broad range of capital assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2021, totaled approximately \$2,168,000 and consisted primarily of the purchase of new vehicles and capital improvements related to the District's capital outlay project and ongoing capital project. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Long-term Debt

As depicted in Figure A-11, as of June 30, 2021, the District had approximately \$18,238,000 in bonds, net pension liability, compensated absences and post-employment benefits, an increase of approximately 3% as compared with the previous year. The increase in bonds payable was the result of the issuance of new serial bonds offset by current year principal payments. The decrease in the net pension liability was a result of actuarial updates and included the decrease in the ERS system liability and the a change in the TRS system from a net pension asset to a net pension liability.

Figure A-10 – Capital Assets

<i>Bemus Point Central School District</i>				
<i>Capital Assets (net of depreciation)</i>				
	Governmental Activities & Total District-wide			
	2021	2020	Change	
Land	\$ 72,700	\$ 72,700	0%	
Construction-in-progress	1,709,655	119,967	1325%	
Building and improvements	39,500,425	39,400,425	0%	
Furniture, equipment & vehicles	3,827,139	3,497,652	9%	
Accumulated depreciation	(19,383,461)	(18,171,845)	7%	
Total Capital Assets, net	\$ 25,726,458	\$ 24,918,899	3%	

Figure A-11 – Outstanding Long-term Debt

<i>Bemus Point Central School District</i>				
<i>Outstanding Long-Term Debt and Liabilities</i>				
	Governmental Activities & Total District-wide			
	2021	2020	Change	
Bonds payable	\$ 13,378,734	\$ 12,220,000	9%	
Net pension liabilities	855,426	1,407,336	-39%	
Energy performance contract	613,888	688,566	-11%	
Compensated Absences	199,656	144,312	38%	
Other post-employment benefits	3,190,659	3,220,659	-1%	
Total Long-Term Debt	\$ 18,238,363	\$ 17,680,873	3%	

VIII. Factors Bearing on the District's Future

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

- The District is uncertain as to the level of state aid in the upcoming years as a result of the Pandemic.

IX. 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:

Bemus Point Central School District
District Administrative Offices
PO Box 468
Bemus Point, New York 14712

BEMUS POINT CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Schedule 1

Page 10

	<u>2021</u>
Assets	
Cash	
Unrestricted	\$ 2,079,718
Restricted	2,408,479
Receivables	
State and federal aid	454,598
Due from other governments	223,523
Inventories	9,007
Prepaid expenses	4,596
Cash to be used for capital assets	479,341
Capital assets, net	<u>25,726,458</u>
Total assets	<u>31,385,720</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	4,051,317
Deferred outflows related to OPEB	160,007
Total deferred outflows of resources	<u>4,211,324</u>
 Total assets and deferred outflows of resources	 <u>\$ 35,597,044</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 48,796
Accrued liabilities	109,981
Accrued interest	37,000
Due to retirement systems	585,440
Unearned revenue	26,145
Bond anticipation notes payable	717,000
Long-term liabilities	
Portion due or payable within one year	
Bonds payable	1,000,000
Energy performance contract	76,951
Compensated absences	25,000
Portion due or payable after one year	
Bonds payable	12,378,734
Energy performance contract	536,937
Net pension liabilities	855,426
Compensated absences	174,656
Other post-employment benefits	3,190,659
Total liabilities	<u>19,762,725</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	1,999,809
Deferred inflows related to OPEB	165,299
Total deferred inflows of resources	<u>2,165,108</u>
Net Position	
Net investment in capital assets	11,697,030
Restricted	2,408,479
Unrestricted (deficit)	(436,298)
Total net position	<u>13,669,211</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 35,597,044</u>

See accompanying independent auditor's report and notes to financial statements.

BEMUS POINT CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

Page 11

	Expenses	Indirect Expenses Allocation	Program Revenues		2021 Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants	
Functions/Programs					
General support	\$ 2,336,286	\$ 221,154	\$ -	\$ -	\$ (2,557,440)
Instruction	10,257,518	825,025	86,512	317,111	(10,678,920)
Pupil transportation	701,623	314,011	-	4,499	(1,011,135)
Debt service	650,933	-	-	-	(650,933)
Food service program	151,711	-	15,159	146,063	9,511
Depreciation	1,360,190	(1,360,190)	-	-	-
Total functions and programs	\$ 15,458,261	\$ -	\$ 101,671	\$ 467,673	(14,888,917)
General Revenues					
Real property taxes					8,981,860
Use of money and property					18,284
Sale of equipment and compensation for loss					9,900
Miscellaneous					139,364
State sources					5,970,365
Federal sources					161,091
Total general revenues					15,280,864
Change in net position					391,947
Net position - beginning of year					13,209,711
Prior period adjustments					67,553
Net position - end of year					\$ 13,669,211

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

Schedule 3

Page 12

	Governmental Funds						2021 Total
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	
Assets							
Unrestricted cash	\$ 1,979,370	\$ 126	\$ 42,357	\$ 609,013	\$ 479,341	\$ 57,865	\$ 3,168,072
Restricted cash	1,799,466	-	-	-	-	-	1,799,466
Due from other funds	98,778	-	-	-	-	-	98,778
State and federal aid receivable	79,105	124,797	32,163	-	218,533	-	454,598
Due from other governments	223,523	-	-	-	-	-	223,523
Prepaid expenses	4,596	-	-	-	-	-	4,596
Inventories	-	-	9,007	-	-	-	9,007
Total assets	<u>\$ 4,184,838</u>	<u>\$ 124,923</u>	<u>\$ 83,527</u>	<u>\$ 609,013</u>	<u>\$ 697,874</u>	<u>\$ 57,865</u>	<u>\$ 5,758,040</u>
Liabilities and Fund Equity							
Liabilities							
Accounts payable	\$ 30,834	\$ -	\$ 282	\$ -	\$ 17,680	\$ -	\$ 48,796
Accrued liabilities	106,537	-	3,444	-	-	-	109,981
Unearned revenue	-	26,145	-	-	-	-	26,145
Bond anticipation notes payable	-	-	-	-	717,000	-	717,000
Due to other funds	-	98,778	-	-	-	-	98,778
Due to Teachers' Retirement System	518,171	-	-	-	-	-	518,171
Due to Employees' Retirement System	67,269	-	-	-	-	-	67,269
Total liabilities	<u>722,811</u>	<u>124,923</u>	<u>3,726</u>	<u>-</u>	<u>734,680</u>	<u>-</u>	<u>1,586,140</u>
Fund Equity							
Nonspendable	4,596	-	9,007	-	-	-	13,603
Restricted	1,799,466	-	-	609,013	-	-	2,408,479
Committed	-	-	-	-	-	57,865	57,865
Assigned	730,304	-	70,794	-	-	-	801,098
Unassigned (deficit)	927,661	-	-	-	(36,806)	-	890,855
Total fund equity (deficit)	<u>3,462,027</u>	<u>-</u>	<u>79,801</u>	<u>609,013</u>	<u>(36,806)</u>	<u>57,865</u>	<u>4,171,900</u>
Total liabilities and fund equity	<u>\$ 4,184,838</u>	<u>\$ 124,923</u>	<u>\$ 83,527</u>	<u>\$ 609,013</u>	<u>\$ 697,874</u>	<u>\$ 57,865</u>	<u>\$ 5,758,040</u>

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 4

Page 13

	Governmental Funds						2021 (Memo only) Total
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	
Revenue							
Real property taxes	\$ 8,981,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,981,860
Use of money and property	4,457	-	61	62,561	-	-	67,079
Charges for services	86,512	-	-	-	-	-	86,512
Sale of property compensation for loss	9,900	-	-	-	-	-	9,900
Miscellaneous	95,302	-	-	-	-	44,062	139,364
State sources	5,751,832	106,849	4,872	-	218,533	-	6,082,086
Federal sources	161,091	214,761	130,125	-	-	-	505,977
Surplus food	-	-	11,066	-	-	-	11,066
Sales (school food service)	-	-	15,098	-	-	-	15,098
Total revenue	15,090,954	321,610	161,222	62,561	218,533	44,062	15,898,942
Expenditures							
General support	1,873,090	-	-	-	-	-	1,873,090
Instruction	6,987,651	323,971	-	-	-	-	7,311,622
Pupil transportation	511,740	4,499	-	-	-	-	516,239
Employee benefits	2,886,433	12,139	-	-	-	-	2,898,572
Debt service							
Principal	1,272,678	-	-	-	-	-	1,272,678
Interest	661,015	-	-	-	-	-	661,015
Capital outlay	-	-	-	-	2,186,269	-	2,186,269
Cost of sales	-	-	151,711	-	-	-	151,711
Other expenses	-	-	-	-	-	53,750	53,750
Total expenditures	14,192,607	340,609	151,711	-	2,186,269	53,750	16,924,946
Excess (deficiency) of revenue over expenditures	898,347	(18,999)	9,511	62,561	(1,967,736)	(9,688)	(1,026,004)
Other sources and uses							
BANs redeemed from appropriations	-	-	-	-	313,000	-	313,000
Proceeds from serial bond issuance	-	-	-	-	1,995,000	-	1,995,000
Operating transfers in	-	18,999	-	-	100,000	-	118,999
Operating transfers out	(118,999)	-	-	-	-	-	(118,999)
Total other sources (uses)	(118,999)	18,999	-	-	2,408,000	-	2,308,000
Excess (deficiency) of revenue and other sources over expenditures and other uses	779,348	-	9,511	62,561	440,264	(9,688)	1,281,996
Fund equity (deficit), beginning of year	2,682,679	-	70,290	546,452	(477,070)	-	2,822,351
Prior period adjustment	-	-	-	-	-	67,553	67,553
Fund equity (deficit), end of year	\$ 3,462,027	\$ -	\$ 79,801	\$ 609,013	\$ (36,806)	\$ 57,865	\$ 4,171,900

See accompanying independent auditor's report and notes to financial statements.

BEMUS POINT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Total fund balances - governmental funds \$ 4,171,900

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets consist of the following at year-end:

Cost of the assets	\$ 45,109,919	
Accumulated depreciation	<u>(19,383,461)</u>	25,726,458

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(37,000)
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Net deferred outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions.	2,051,508
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Net deferred outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on required contributions.	(5,292)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Bonds payable	(13,378,734)	
Energy performance contract	(613,888)	
Net pension liabilities	(855,426)	
Compensated absences	(199,656)	
Other post-employment benefits	<u>(3,190,659)</u>	<u>(18,238,363)</u>

Total net position - governmental activities \$ 13,669,211

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 4,967,538	\$ -	\$ -	\$ (479,341)	\$ 4,488,197
Due from other funds	98,778	-	-	(98,778)	-
State and federal aid receivable	454,598	-	-	-	454,598
Due from other governments	223,523	-	-	-	223,523
Inventories	9,007	-	-	-	9,007
Prepaid expenses	4,596	-	-	-	4,596
Cash to be used for capital assets	-	-	-	479,341	479,341
Capital assets, net	-	25,726,458	-	-	25,726,458
Total assets	5,758,040	25,726,458	-	(98,778)	31,385,720
Deferred Outflows of Resources					
Deferred outflows related to pensions and OPEB	-	4,211,324	-	-	4,211,324
Total assets and deferred outflows of resources	\$ 5,758,040	\$ 29,937,782	\$ -	\$ (98,778)	\$ 35,597,044
Liabilities, Deferred Inflows of Resources and Fund Equity					
Liabilities					
Accounts payable	\$ 48,796	\$ -	\$ -	\$ -	\$ 48,796
Accrued liabilities	109,981	-	-	-	109,981
Unearned revenue	26,145	-	-	-	26,145
Accrued interest	-	-	37,000	-	37,000
Due to other funds	98,778	-	-	(98,778)	-
Due to retirement systems	585,440	-	-	-	585,440
Bond anticipation notes payable	717,000	-	-	-	717,000
Bonds payable	-	-	13,378,734	-	13,378,734
Energy performance contract	-	-	613,888	-	613,888
Net pension liabilities	-	-	855,426	-	855,426
Compensated absences	-	-	199,656	-	199,656
Other post-employment benefits	-	-	3,190,659	-	3,190,659
Total liabilities	1,586,140	-	18,275,363	(98,778)	19,762,725
Deferred Inflows of Resources					
Deferred inflows related to pensions and OPEB	-	-	2,165,108	-	2,165,108
Fund equity and net position					
Total liabilities, deferred inflows of resources, and fund equity/net position	\$ 5,758,040	\$ 29,937,782	\$ -	\$ (98,778)	\$ 35,597,044

BEMUS POINT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds \$ 1,281,996

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Activity for the current fiscal year ended was as follows:

Capital outlays	\$ 2,167,749	
Depreciation expense	<u>(1,360,190)</u>	807,559

Proceeds from issuance of long-term debt (including bond refunding) is recorded as revenue in the governmental funds. However, in the statement of activities, proceeds from long-term are not recorded as revenue. Rather, long-term debt is recorded as a liability in the statement of net position. (1,995,000)

Repayment of bond principal (including bond refunding) is an expenditure in the governmental funds, but the repayment reduces long-term and short-term liabilities in the government-wide financial statements. Also, interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized 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. This also includes the amortization of bond premiums and new premiums earned as a result of bond refunding in the current year. 921,026

District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds, pension expense is based on the District's contribution to pension plans. (598,290)

District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution to the OPEB plan. 30,000

In the statement of activities, certain operating expenses - compensated absences and special termination benefits - 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). This year, compensated absences changed by this amount. (55,344)

Change in net position of governmental activities \$ 391,947

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 8,981,860	\$ -	\$ -	\$ -	\$ 8,981,860
Use of money and property	67,079	-	(48,734)	(61)	18,284
Charges for services	86,512	-	-	(86,512)	-
Sale of property/compensation for loss	9,900	-	-	-	9,900
Miscellaneous	139,364	-	-	-	139,364
State sources	6,082,086	-	-	(111,721)	5,970,365
Federal sources	505,977	-	-	(344,886)	161,091
Surplus food	11,066	-	-	(11,066)	-
Sales (school food service)	15,098	-	-	(15,098)	-
Total revenue	15,898,942	-	(48,734)	(569,344)	15,280,864
Expenditures					
General support	1,873,090	221,154	-	463,196	2,557,440
Instruction	7,311,622	825,025	55,344	2,486,929	10,678,920
Pupil transportation	516,239	314,011	-	180,885	1,011,135
Employee benefits	2,898,572	-	568,290	(3,466,862)	-
Debt service	1,933,693	-	(1,282,760)	-	650,933
Capital outlay	2,186,269	(2,167,749)	-	(18,520)	-
Cost of sales	151,711	-	-	(161,222)	(9,511)
Other expenses	53,750	-	-	(53,750)	-
Total expenditures	16,924,946	(807,559)	(659,126)	(569,344)	14,888,917
Excess (deficiency) of revenue over expenditures	(1,026,004)	807,559	610,392	-	391,947
Other sources and uses					
Operating transfers in	118,999	-	-	(118,999)	-
Operating transfers out	(118,999)	-	-	118,999	-
BANs redeemed from appropriations	313,000	-	(313,000)	-	-
Proceeds from serial bond issuance	1,995,000	-	(1,995,000)	-	-
Total other sources (uses)	2,308,000	-	(2,308,000)	-	-
Net change for year	\$ 1,281,996	\$ 807,559	\$ (1,697,608)	\$ -	\$ 391,947

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Page 16

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

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

A. Reporting Entity

The financial statements include all funds and account groups of the School District as well as the component units and other organizational entities determined to be includable in the School District's financial reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity:

Extraclassroom Activity Funds

The extraclassroom activity fund of the **Bemus Point Central School District** represents funds of the students of the School District. The Board of Education exercises general oversight of these funds and has adopted the guidance prescribed by the New York State Education Department for safeguarding, accounting and auditing of extraclassroom activity funds. As a result these funds do not meet the criteria required to be reported as fiduciary funds and are now being reported as a governmental fund. The cash and investment balances as well as revenues and expenditures are now reported in a miscellaneous special revenue fund of the District. Under previous guidance the cash balances were reported as agency funds. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

B. Joint Venture

The **Bemus Point Central School District** is one of 27 component school districts in the Erie 2 – Chautauqua-Cattaraugus 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture (continued)

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 also are 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 the 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, the District was billed \$1,550,000 for BOCES administration, program and capital costs. The District's share of BOCES aid, rental charges and refunds amounted to \$482,000 for the year ended June 30, 2021. Financial statements for the Chautauqua-Cattaraugus BOCES are available at the BOCES administrative offices in Angola, New York.

C. 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 double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Page 17

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

1. District-wide Statements (continued)

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 goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

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

The District reports the following major governmental fund types:

General - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Aid - is used to account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

Food Service Fund – is used to account for the all revenue and expenditures pertaining to the cafeteria operations.

Capital Projects - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The fund is also utilized to account for the purchase of transportation vehicles.

Debt Service – is used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

Miscellaneous Special Revenue - is used to account for and report those revenues that are committed (extraclassroom activities) to expenditures for specific purposes.

3. Fiduciary Fund Types

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements because their resources do not belong to the District, and are not available to be used. The District does not have any activities that qualify for reporting as fiduciary.

D. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

F. Investments

Investments are stated at current market value.

G. Inventory

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

H. Capital Assets

Capital assets are reported at actual cost and, estimated historical costs, based on an appraisal conducted by independent third-party professionals was used. Estimated historical costs were estimated based on reverse trending techniques applied against the estimates of current replacement cost.

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 as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and improvements	\$ 50,000	Straight-line	15-40 years
Furniture and equipment	5,000	Straight-line	3-7 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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 systems 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 reporting in the District-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized, along with benefits paid subsequent to the measurement period.

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 two items that qualify for reporting in this category. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized.

J. Due To/From Other Funds

The amounts reported on the Statement of Net Position for due to and from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Long-Term Debt

The liabilities reported as long-term liabilities include the School District's general obligation bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term liabilities including vacation leave, sick leave, litigation, and other (i.e. workers' compensation, insurance-related liabilities pertaining to the Governmental Funds).

L. Unearned revenue

Unearned revenue is reported on the District's combined balance sheet. Unearned revenue arises when resources are received by the District before it has a legal claim to them, as 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 for unearned revenue is removed and revenue is recognized.

M. Compensated Absences

Sick Leave Pay - certain of the District's employee groups have negotiated sick leave benefits payable based on accumulated unused sick days. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

The District has recorded an estimated liability in the government-wide financial statements amounting to approximately \$199,656 to recognize the cost of the benefits for those employees eligible to receive such a benefit. Payment of these benefits is dependent on many factors, therefore, the timing of future payments is not readily determinable. The District believes sufficient resources and budgetary appropriations will be available as the benefits become payable in future years. The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the District-wide financial statements.

N. Post-Employment Benefits

In addition to the retirement benefits described in Note 3V, the District provides post-employment health insurance coverage to certain retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. The District recognizes the net cost of providing health insurance in the governmental funds when paid. The Statement of Net position reports the computed District liability at year-end and the Statement of Activities reports the net increase or decrease in the liability as expense.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity

1. Governmental Funds

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

A. Nonspendable

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term loans and notes receivable, and property held for relate (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

1. Inventory and Prepaid Expenses

Nonspendable - Inventory is used to limit the investment in inventory and to restrict that portion of fund balance which is unavailable for appropriation and is accounted for in the School Food Service Fund. Nonspendable - Prepaid expenses is used to restrict a portion of fund balances related to prepaid expenses in the current year, which are not in a spendable form. This is accounted for in the General Fund.

B. Restricted

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

1. Unemployment Reserve

This reserve is used to accumulate funds to pay the cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may be either transferred to another reserve or the excess applied to the appropriations next succeeding fiscal year's budget. If the District elects to convert to tax basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is recorded in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

2. Reserve for Debt Service

This reserve is used for the purpose of retiring the outstanding obligation upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. Interest and earnings on outstanding obligations and remaining bond proceeds not utilized for the intended purpose are recorded in the Reserve for Debt Service. These monies must be used to pay the debt service of the obligations from which they originated. This reserve is accounted for in the Debt Service or General Fund.

3. Insurance Reserve

This reserve is 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. This reserve may be established by Board action and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

4. Reserve for Employee Benefit Accrued Liability

The purpose of this reserve is for the payment of any accrued employee benefit due an employee upon termination of the employee's service. This reserve fund may be established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

5. Reserve for Retirement System Credits

This reserve is used to accumulate funds for employee retirement system contributions. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

6. Capital Reserve

These reserves are used to accumulate funds to finance all or a portion of future capital projects and bus purchases for which bonds may be issued. Voter authorization is required for both the establishment of the reserves and payments from the reserves. These reserves are accounted for in the General Fund or Capital Project Fund.

7. Tax Certiorari Reserve

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

8. Reserve for Teachers' Retirement Contributions

This reserve is used to pay for district expenses to the NYS Teachers' Retirement System. Funds may be paid into the retirement contribution reserve fund from budgetary appropriation or excess fund balance. Funds added to this reserve will not exceed 2% of teacher salaries in the prior year. When the District experiences a rate increase, the difference from year to year would be supported by the use of this reserve. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

9. Workers' Compensation Reserve

This reserve is used to fund Workers' Compensation expenses, related medical expenses and self-insurance administrative costs. This reserve is funded from excess fund balance, and can be used to pay any expenses related to Workers' Compensation. The reserve is accounted for in the General Fund.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the fund balance of the extraclassroom activities as committed fund balance as of June 30, 2021.

D. Assigned

Fund balance intended to be used by the District for specific purposes but does not meet the criteria to be restricted or committed. Along with the District's Board of Education, the Business Manager and Treasurer has been authorized to assign fund balance amounts for specific purposes through the establishment of an encumbrance.

1. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund.

If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. Reserve for encumbrances totaled \$330,304 as of June 30, 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

2. Appropriated Fund Equity

General Fund - The amount of \$400,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2022 as allowed by Section 1318 of the Real Property Tax Law.

E. Unassigned

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

2. Government-wide financial statements

A. Net Investment in Capital Assets

This designation of net position is used to accumulate the capital asset balance in the statement of net position less accumulated depreciation and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

B. Restricted

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

C. Unrestricted

This category represents net position of the District not restricted for any other purpose.

3. Order of Fund Balance Spending Policy

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

- a. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation;
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Page 22

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

3. Order of Fund Balance Spending Policy (continued)

- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

P. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year-end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the current year, the District did not report any supplemental appropriations.

2. Budget Basis for Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the encumbrances carried forward from the prior year.

The budget and actual comparison for the Food Service Fund reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets. The District does not budget for food service fund revenues and expenditures.

Budgetary controls for the special aid fund and capital funds are established in accordance with the applicable grant agreement or authorized project limit which may cover a period other than the District's fiscal year. Consequently, the budgets for such funds have been excluded from the combined schedule of revenue, expenditures and changes in fund equity - budget and actual.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Property Taxes

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31.

2. Enforcement

Uncollected real property taxes are subsequently enforced by the County, in which the School District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

R. Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets.

S. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses.

T. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

U. New Accounting Pronouncement

Effective July 1, 2020, the District implemented the provisions of GASB Statement No. 84, Fiduciary Activities. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in net position. Implementation of this guidance resulted in reclassification of extraclassroom activities and payroll transactions in fiduciary activities to governmental activities and the creation of a miscellaneous special revenue fund to account for the extraclassroom activities.

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

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

A. Total Fund Equity of Governmental Funds vs. Net Position of Governmental Activities

Total fund equity 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.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities fall into one of three broad categories. These categories are more fully explained below:

1. Long-term Revenue Differences

Long-term revenue differences arise because governmental funds report revenue only when they are considered "available", whereas the Statement of Activities reports revenue 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.

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

3. Long-term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Pension Differences

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

5. OPEB Differences

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS

I. Cash and Investments

The *Bemus Point Central School District's* investment policies are governed by State statutes. School District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District 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.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2021, the District's bank deposits were fully collateralized.

Collateral is required for demand and time deposits and certificates of deposit 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 the State and its municipalities and School Districts.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash and Investments

A. Deposits

Deposits are valued at cost or cost plus interest and are categorized as either:

- (1) Insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the entity or by the agent in the entity's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name;
- (3) Uncollateralized

Total financial institution (bank) balances at June 30, 2021 per bank (including NYClass investments) were approximately \$5,548,000. These deposits are categorized as follows:

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Value</u>
\$ 500,000	\$ 5,048,000	\$ -	\$ 5,548,000

B. Investments

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

- (1) Insured or registered, or investments held by the District or by the District's agent in the District's name or,
- (2) Uninsured and unregistered, with the investments held by the financial institutes trust department in the District's name, or
- (3) Uninsured and unregistered, with investments held by the financial institution or its trust department but not in the District's name.

The District participates in the Cooperative Liquid Assets Securities System - New York (NYCLASS) a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G Sections 119-n and o, and Chapter 623 of the Laws of 1998, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with general municipal law sections 10 and 11. Total investments of the cooperative at June 30, 2021 are approximately \$3,351,277,180, which

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash and Investments

B. Investments (continued)

consisted of 10% in repurchase agreements, 58% in U.S. Treasury Securities, and 32% in collateralized bank deposits, with various interest rates and due dates. The amount below represents the cost of the investment pool shares, and are considered to approximate market value. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

General Fund:	
NY Class investments	<u>\$ 2,000,582</u>

II. Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance 6/30/20</u>	<u>Additions Net of Disposals</u>	<u>Ending Balance 6/30/21</u>
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 72,700	\$ -	\$ 72,700
Construction-in-progress	<u>119,967</u>	<u>1,589,688</u>	<u>1,709,655</u>
Total non-depreciable capital assets	<u>192,667</u>	<u>1,589,688</u>	<u>1,782,355</u>
Capital assets that are depreciated:			
Buildings and improvements	39,400,425	100,000	39,500,425
Furniture and equipment	<u>3,497,652</u>	<u>329,487</u>	<u>3,827,139</u>
Total depreciable historical cost	<u>42,898,077</u>	<u>429,487</u>	<u>43,327,564</u>
Total cost	43,090,744		45,109,919
Less accumulated depreciation:	<u>18,171,845</u>	<u>\$ 1,211,616</u>	<u>19,383,461</u>
Total net book value	<u>\$24,918,899</u>		<u>\$25,726,458</u>
		<u>Depreciation</u>	
Depreciation expense was charged to governmental functions as follows:			
General support		\$ 221,154	
Instruction		825,025	
Pupil transportation		<u>314,011</u>	
		<u>\$ 1,360,190</u>	

Total additions during the current year amounted to approximately \$2,168,000.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

III. Interfund Transactions

Interfund balances at June 30, 2021 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 98,778	\$ -
Special Aid Fund	-	98,778
Debt Service Fund	-	-
School Lunch Fund	-	-
Capital Project Fund	-	-
Total	<u>\$ 98,778</u>	<u>\$ 98,778</u>

Interfund transfers consisted of the following during the fiscal year ended June 30, 2021:

	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General Fund	\$ -	\$ 118,999
Special Aid Fund	18,999	-
Debt Service Fund	-	-
School Lunch Fund	-	-
Capital Projects Fund	100,000	-
Total	<u>\$ 118,999</u>	<u>\$ 118,999</u>

During the current year, the District transferred \$18,999 from the general fund to the special aid fund as the local share of the summer school handicap program. The District also transferred \$100,000 from the general fund to the capital projects fund related to 2021 capital outlay project.

IV. Receivables

Receivables at June 30, 2021 consisted of amounts due from State and Federal sources as well as amounts due from other governments and other miscellaneous receivables. District management has deemed the amounts to be fully collectible.

V. Liabilities

A. Pension Plans

1. Plan Descriptions and Benefits Provided

a. Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided

**a. Teachers' Retirement System (TRS)
(continued)**

Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

b. Employees' Retirement System (ERS)

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

www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided (continued)

b. Employees' Retirement System (ERS) (continued)

2. Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

	ERS		TRS	
2021	\$	237,000	\$	483,000
2020	\$	234,000	\$	463,000
2019	\$	230,000	\$	542,000

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

Measurement date	ERS 3/31/2021		TRS 6/30/2020	
Net pension asset (liability)	\$	(5,246)	\$	(850,180)
District's portion of the Plan's total net pension liability		.0052684%		.030767%

For the year ended June 30, 2021, the District's recognized pension expense of \$138,308 for ERS and \$1,154,201 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources					
	ERS	TRS	ERS	TRS				
Differences between expected and actual experience	\$	64,067	\$	744,928	\$	-	\$	43,570
Changes of assumptions		964,562		1,075,280		18,192		383,281
Net difference between projected and actual earnings on pension plan investments		-		555,242		1,506,947		-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions		50,161		46,856		19,521		28,298
District's contributions subsequent to the measurement date		67,269		482,952		-		-
Total	\$	1,146,059	\$	2,905,258	\$	1,544,660	\$	455,149

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

Year ending:	ERS	TRS
2022	\$ (76,672)	\$ 340,751
2023	(21,801)	678,124
2024	(80,195)	556,957
2025	(287,202)	343,516
2026	-	10,289
Thereafter	-	37,520

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/21	6/30/20
Actuarial valuation date	4/1/20	6/30/19
Interest rate	5.9%	7.1%
Salary scale	4.4% average	1.90% - 4.72%
	4/1/15 – 3/31/20	7/1/09 – 6/30/14
	System's	System's
Decrement tables	Experience	Experience
Inflation rate	2.7%	2.2%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

4. Actuarial Assumptions (continued)

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, applied on a generational basis.

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

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

Measurement date	ERS	Expected	TRS	Expected
	3/31/21	Rate of Return	6/30/20	Rate of Return
Asset Type:				
Domestic equity	32%	4.05%	33%	7.1%
International equity	15%	6.30%	16%	7.7%
Global equity	-%	-%	4%	7.4%
Private equity	10%	6.75%	8%	10.4%
Real Estate	9%	4.95%	11%	6.8%
Opportunistic/ARS portfolio	3%	4.50%	-%	-%
Credit	4%	3.63%	-%	-%
Real assets	3%	5.95%	-%	-%
Domestic fixed income securities	-%	-%	16%	1.8%
Global fixed income securities	-%	-%	2%	1.0%
Real estate debt	-%	-%	7%	3.6%
Private debt	-%	-%	1%	5.2%
High-yield fixed income	-%	-%	1%	3.9%
Fixed Income	23%	-%	-%	-%
Cash	1%	0.5%	1%	0.7%
Total:	100%		100%	

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

5. Discount Rate

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

6. Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (1,456,074)	\$ (5,246)	\$ 1,332,757

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

6. Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption (continued)

	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (5,370,297)	\$ (850,180)	\$ 2,943,343

7. Pension Plan Fiduciary Net Position

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

Measurement date	(Dollars in Thousands)	
	ERS 3/31/21	TRS 6/30/20
Employers' total pension liability	\$ 220,680,157	\$ 123,242,776
Plan net position	\$ 220,580,583	\$ 120,479,505
Employers' net pension asset (liability)	\$ (99,574)	\$ (2,763,271)
Ratio of plan net position to be		
Employers' total pension asset (liability)	99.95%	97.8%

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$67,269.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$518,171 of which \$482,952 is related to employer contributions and \$35,219 is related to employee contributions.

B. Other Post-Employment Benefits

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan). The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions are based on bargaining agreements as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility for the Plan is established by the District and specified in the District's employment contracts.

Employees Covered by Benefit Terms

For the fiscal year ended June 30, 2020 the plan had total active employees of 132 and retirees of 52.

Total OPEB Liability

The District's total OPEB liability of \$3,190,659 was measured as of March 31, 2020 and was determined by an actuarial valuation as of July 1, 2019. A valuation study was not conducted during the year ended June 30, 2021.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Actuarial Methods and Other Inputs

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.22% per year
Salary increases	3.22% per year
Discount rate	2.48% as of June 30, 2020 and 3.44% as of June 30, 2019
Healthcare cost trend rates	2020 – 5.2% reduced to an ultimate rate of 4.18% after 2070.
Retirees' share of benefit-related costs	District pays 83% for single and 83% for family – based on years of service and credited months

The discount rate was based on a yield for 20 year tax-exempt general obligation municipal bonds.

Mortality rates were based on the Scale MP-2019, fully generational.

The actuarial assumptions used in the July 1, 2019 valuation represent a long-term expectation of future OPEB outcomes.

Changes in the Total OPEB Liability

Service cost	\$	170,000
Interest		108,000
Change of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions or other inputs		-
Benefit payments		(308,000)
Net changes		(30,000)
Net OPEB liability – beginning of year		3,220,659
Net OPEB liability – end of year	\$	<u>3,190,659</u>

There were no changes in assumptions as a valuation study was not conducted during the year ended June 30, 2021.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment 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 (1.48%) or 1 percentage point higher (3.48%) that the current discount rate:

	1% Decrease (1.48%)	Current Assumption (2.48%)	1% Increase (3.48%)
Total OPEB liability	\$ 4,002,961	\$ 3,190,659	\$ 3,380,280

Total OPEB liability

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 that the current healthcare cost trend rates:

	1% Decrease (4.2%- 3.18%)	Current Assumption (5.2%- 4.18%)	1% Increase (6.2%- 5.18%)
Total OPEB liability	\$ 3,328,763	\$ 3,190,659	\$ 4,082,285

Total OPEB liability

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 \$278,000. 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	\$ 20,812	\$ 165,299
Changes in assumptions or other inputs	139,195	-
Benefits subsequent to measurement date	-	-
Total	\$ 160,007	\$ 165,299

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year ending:	
2022	\$ 12,050
2023	(9,635)
2024	(7,707)
2025	-
2026	-
Thereafter	-

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. On July 30, 2020, the District issued a bond anticipation note of \$717,000 (new money proceeds of \$275,000) with an interest rate of .81% and maturity date of July 29, 2021. Proceeds from the bond anticipation note were utilized for the maturing \$665,000 bond anticipation note along with \$223,000 redeemed from appropriations. On September 22, 2020, the District issued a bond anticipation note of \$2,085,000 with an interest rate of 1.25%. The bond anticipation note matured on June 16, 2021 and the District issued serial bonds in the amount of \$1,995,000 and redeemed \$90,000 from appropriations.

b. Short-Term Debt Interest

Total interest incurred on short-term debt was \$34,033 during the fiscal year ended June 30, 2021.

2. Long-Term Debt

a. Debt Limit

At June 30, 2021, the total outstanding indebtedness represented approximately 23% of the District's debt limit.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness

2. Long-Term Debt

b. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements or for the purchase of vehicles. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets.

c. Long-Term Debt Interest

Interest expenditures for long-term debt are recognized on a cash basis, when amounts become due and payable. The District recognized \$626,982 of expenditures for long-term debt interest in the governmental fund financial statements during the fiscal year ended June 30, 2021.

d. Changes

The School District's indebtedness, as of June 30, 2021 and 2020 are summarized as follows:

	<u>Balance June 30, 2021</u>	<u>Balance June 30, 2020</u>
Serial bonds	\$ 13,330,000	\$ 12,220,000
Unamortized bond premiums	48,734	-
Energy performance contract	613,888	688,566
Compensated absences	199,656	144,312
Net pension liabilities	855,426	1,407,336
Other post-employment benefit	3,190,659	3,220,659
	<u>\$ 18,238,363</u>	<u>\$ 17,680,873</u>

The District made principal payments on serial bonds in the amount of \$885,000 during the current fiscal year, issued a new serial bond in the amount of \$1,995,000, and received an \$48,734 of premium on the issuance. The District had principal payments in the amount of \$74,678 on the energy performance contract liability. The net change in compensated absences was an increase of \$55,344 during the fiscal year ended June 30, 2021. The net change in other post-employment benefit liability was a decrease of \$30,000. Also, the decrease in the net pension liability for the employee retirement system was \$1,402,090, while the teachers retirement system changed from a net pension asset to a net pension liability of \$850,180 in the current year.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

e. Summary

1. The following is a summary of maturity of indebtedness:

<u>Description</u>	<u>Outstanding June 30, 2021</u>
Serial Bonds, issued in 2008 with maturity date of July 2024, bonds carry interest at 4.125%-4.625%	\$ 315,000
Serial Bonds, issued in 2018 with maturity date of June 2033, bonds carry interest at 5%	11,020,000
Serial Bonds, issued in 2021 with maturity date of June 2036, bonds carry interest at 2%	1,995,000
	<u>\$ 13,330,000</u>

f. Maturity

1. The following is the amortization schedule for the long-term liability for serial bonds.

<u>Year</u>	<u>Principal payments</u>	<u>Interest payments</u>
2022	\$ 1,000,000	\$ 603,195
2023	1,040,000	558,472
2024	1,050,000	511,431
2025	1,095,000	462,766
2026	1,060,000	413,750
2027-2031	5,945,000	1,280,300
2032-2036	2,140,000	134,050
Totals	<u>\$ 13,330,000</u>	<u>\$ 3,963,964</u>

3. Bond premiums and amortization

Premiums resulting from bond and other debt refinancing are being amortized over the life of the related debt.

4. Energy Performance Contract and Maturity

In 2013, the District issued a \$1,139,038 energy performance contract at an interest rate of 3.01% and final maturity date of September 15, 2028. Principal and interest are payable quarterly. Total interest incurred on the energy performance contract during the current year was \$19,888. The following is the amortization schedule:

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

4. Energy Performance Contract and Maturity (continued)

Year	Principal payments	Interest payments
2022	\$ 76,951	\$ 17,615
2023	79,294	15,272
2024	81,707	12,859
2025	84,195	10,371
2026	86,758	7,808
2027-2029	204,983	7,790
Totals	\$ 613,888	\$ 71,715

VI. Fund Equity

A. Classification

The District's fund equity is comprised of various components.

Category / Fund	Description	Balance June 30, 2021
Nonspendable:		
Food Service	Inventory	\$ 9,007
General Fund	Prepays	\$ 4,596
Restricted:		
General	Unemployment reserve	\$ 196,459
	Employee benefit reserve	117,147
	Insurance reserve	313,343
	Capital reserve	415,000
	TRS reserve	309,145
	ERS reserve	276,627
	Tax certiorari reserve	31,605
	Workers' compensation reserve	140,140
		\$ 1,799,466
Debt Service	Reserve for debt service	\$ 609,013
Restricted:		
Miscellaneous special revenue	Extraclassroom fund balance and other	\$ 57,865
Assigned:		
General	Appropriated Fund Balance	\$ 400,000
	Encumbrances	330,304
		\$ 730,304
Food Service	Fund Equity	\$ 70,794

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity (continued)

B. Assigned – Appropriated Fund Balance

General Fund - The amount of \$400,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2022 as allowed by Section 1318 of the Real Property Tax Law.

C. District-wide Net Position

Net position of the District include restricted net position of approximately \$2,408,000 which represent restricted amounts in the general and debt service funds as presented above.

D. Deficit Fund Balance

The District's capital project fund had an accumulated deficit in the amount of \$36,806 as of June 30, 2021. It is not uncommon for school districts to have deficit fund balances in the capital projects fund as a result of short-term debt being recorded as liabilities until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue.

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

The *Bemus Point Central School District* is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

For its employee health and accident coverage, *Bemus Point Central School District* is a participant in the Chautauqua County School Districts' Medical health Plan, a public entity risk pool operated for the benefit of various individual governmental units located within Chautauqua County. The School District pays monthly premiums to the Plan for this health coverage.

The Plan is authorized to assess supplemental premiums to the participating districts. The Chautauqua County School Districts' Medical Health Plan obtains independent coverage for insured events in excess of this amount.

2. Risk Sharing Pools

The *Bemus Point Central School District* also participates in a risk sharing pool, Erie 2 – Chautauqua-Cattaraugus BOCES, to insure Workers' Compensation claims. This is a public

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies (continued)

A. Risk Financing and Related Insurance (continued)

2. Risk Sharing Pools (continued)

entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. Administrators of the Plan have indicated that the Plan's reserves are believed to be in excess of estimated unbilled and open claims.

B. Compensated Absences

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$235,000 as of June 30, 2021 for accumulating non-vesting sick leave.

C. Federal and State Grants

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

D. Litigation

The District may be a party to various claims and legal proceedings covering a wide range of matters that arise in the course of the District's business. A claim has been brought by a former student against the District under the New York State Child Victims Act. Discovery of this matter is in the early stages and the scope of damages, if any, cannot presently be assessed. To date, there is no insurance coverage.

NOTE 4 – CAPITAL PROJECT

The voters of *Bemus Point Central School District* approved a resolution authorizing a capital project in the amount of \$2,385,000 to be financed with serial bonds, and District funds. Total expenditures incurred related to the project were \$1,607,367 during the year ended June 30, 2021.

The District also had expenditures in the current year in the amount of \$100,000 related to its capital outlay project, \$275,000 related to bus purchases and \$203,902 related to smart school bond expenditures.

NOTE 5 – COVID 19 PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to Organizations including public school Districts. The New York State Department of Education has allocated approximately \$112,000 of CARES Act assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. As of June 30, 2021 the District spent the entire portion of its CARES Act allocation in the current year.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$596,000 of CRRSA Act assistance to the District. As of June 30, 2021 the District has spent \$0 of the CRRSA allocation.

In March 2021, the American Rescue Plan (ARP) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$1,458,000 of ARP Act assistance to the District. As of June 30, 2021 the District has spent \$0 of the ARP allocation.

The District provided free breakfast and lunches to all students (except those who opted out) through the Federal Summer Food Service program. Given the uncertainty regarding the COVID-19 Pandemic, the overall financial impact to the District cannot be reasonably predicted or estimated at this time.

NOTE 6 – PRIOR PERIOD ADJUSTMENT

Implementation of GASB No. 84 required prior period adjustments for the governmental and fiduciary funds. This adjustment was needed to move the beginning balances of amounts previously reported as fiduciary funds to the respective governmental funds. Total extraclassroom funds and other miscellaneous amounts totaling \$67,553 were reclassified from fiduciary funds to governmental funds as of July 1, 2020.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 4, 2021, which is the date the financial statements were available to be issued.

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	\$ 8,972,295	\$ 8,972,295	\$ 8,981,860	\$ 9,565
Charges for services	83,500	83,500	86,512	3,012
Use of money and property	10,000	10,000	4,457	(5,543)
Sale of property and compensation for loss	10,000	10,000	9,900	(100)
Miscellaneous	65,000	65,000	95,302	30,302
State Sources:				
Basic formula	5,458,226	5,458,226	5,308,871	(149,355)
BOCES	339,169	339,169	399,826	60,657
Textbooks	-	-	26,080	26,080
All other aid	7,074	7,074	17,055	9,981
Federal Sources:				
Medicaid reimbursement	-	-	48,648	48,648
CARES Act	30,000	30,000	112,443	82,443
Total revenue	14,975,264	14,975,264	15,090,954	115,690
Other Sources				
Operating transfer in	-	-	-	-
Total revenue and other sources	14,975,264	14,975,264	15,090,954	\$ 115,690
Appropriated fund equity, reserves, and carryover encumbrances	465,100	716,275		
Total revenue, other sources, reserves and appropriated fund equity	\$ 15,440,364	\$ 15,691,539		

See accompanying independent auditor's report.

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 8,750	\$ 8,750	\$ 6,845	\$ 190	\$ 1,715
Central administration	190,300	222,095	207,930	60	14,105
Finance	189,600	184,553	181,312	-	3,241
Staff	53,000	82,414	64,449	12,322	5,643
Central services	1,253,600	1,336,263	1,233,402	47,030	55,831
Special items	208,550	185,235	179,152	-	6,083
Instructional:					
Instruction, administration and improvement	473,000	505,307	438,897	25,020	41,390
Teaching - regular school Programs for children with handicapping conditions	3,988,100	3,999,337	3,751,655	67,445	180,237
Teaching - special schools	1,883,300	1,773,685	1,486,670	578	286,437
Occupational education	6,500	6,500	408	-	6,092
Instructional media	224,000	224,000	223,700	-	300
Pupil services	499,100	648,707	521,165	102,929	24,613
	669,000	685,855	565,156	27,061	93,638
Pupil Transportation	641,300	676,574	511,740	47,669	117,165
Employee Benefits	3,100,900	3,092,640	2,886,433	-	206,207
Community Service	4,000	4,000	-	-	4,000
Debt Service:					
Debt service principal	1,217,680	1,224,030	1,272,678	-	(48,648)
Debt service interest	709,684	709,684	661,015	-	48,669
Total expenditures	15,320,364	15,569,629	14,192,607	330,304	1,046,718
Other Uses:					
Transfer to other funds	120,000	121,910	118,999	-	2,911
Total other uses	120,000	121,910	118,999	-	2,911
Total expenditures and other uses	\$ 15,440,364	\$ 15,691,539	14,311,606	\$ 330,304	\$ 1,049,629
Excess of revenue and other sources over expenditures and other uses			\$ 779,348		

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule SS1A

Page 35

	School Food Service Fund		
	Budget ** (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ -	\$ 4,872	\$ 4,872
Federal sources	-	130,125	130,125
Sales	-	15,098	15,098
Surplus food	-	11,066	11,066
Use of money and property	-	61	61
Total revenue	-	161,222	161,222
Expenditures			
Cost of sales	-	151,711	(151,711)
Total expenditures	-	151,711	(151,711)
Excess of revenue over expenditures	<u>\$ -</u>	<u>9,511</u>	<u>\$ 9,511</u>
Fund equity, beginning of year		<u>70,290</u>	
Fund equity, end of year		<u>\$ 79,801</u>	

** - the District does not prepare a budget for the School Food Service Fund

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 15,440,364
Additions:	
Prior Year Encumbrances	<u>251,175</u>
Original budget	15,691,539
Budget revisions:	<u>-</u>
Final budget	<u><u>\$ 15,691,539</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter-approved expenditure budget	\$ 15,588,352
Maximum allowed (4% of 2021-22 budget)	\$ 623,534

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

Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	730,304
Unassigned fund balance	<u>927,661</u>
Total unrestricted fund balance	<u>1,657,965</u>
Less:	
Appropriated fund balance	400,000
Encumbrances included in committed and assigned fund balance	<u>330,304</u>
Total adjustments	<u>730,304</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 927,661</u></u>
Actual percentage	<u><u>5.95%</u></u>

* Per Office of State Comptroller's "Fund Balance Reporting and Governmental Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of the General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

Schedule SS3

Page 37

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended (Overexpended) Balance	Methods of financing				Fund Balance June 30, 2021	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total		
Bus purchases	\$ 1,390,000	\$ 1,390,000	\$ 1,105,278	\$ 275,000	\$ 1,380,278	\$ 9,722	\$ 1,390,000	\$ -	\$ (9,722)	\$ 1,380,278	\$ -	
Capital Outlay 2021	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-	
Smart Schools Bond Act Project	264,000	264,000	14,631	203,902	218,533	45,467	-	218,533	-	218,533	-	
Elementary Capital Project	2,385,000	2,385,000	97,439	1,607,367	1,704,806	680,194	2,085,000	-	300,000	2,385,000	680,194	
Total	\$ 4,139,000	\$ 4,139,000	\$ 1,217,348	\$ 2,186,269	\$ 3,403,617	\$ 735,383	\$ 3,475,000	\$ 218,533	\$ 390,278	\$ 4,083,811	680,194	
											Less: Bond anticipation notes outstanding	(717,000)
											Total fund equity (deficit) as of June 30, 2021	\$ (36,806)

BEMUS POINT CENTRAL SCHOOL DISTRICT
BUDGET COMPARISON STATEMENT FOR STATE AND
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule SS4A

Page 38

Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school *	N/A	2021	\$ 58,348	\$ 58,348	\$ 58,348
Universal Pre-kindergarten	0409-21-7046	2021	67,500	67,500	67,500
State summer food service program	N/A	2021	4,872	4,872	4,872
			<u>\$ 130,720</u>	<u>\$ 130,720</u>	<u>\$ 130,720</u>

* Revenue includes interfund transfer of \$18,999 from the general fund which represents local share of expenditures.

BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule SS4B

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Bemus Point Central School District** and is presented on the modified accrual basis of accounting. The information in the schedule 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 the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Basis of Accounting

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for the applicable program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Note 2 - Non-monetary Federal Program

The accompanying **Bemus Point Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2021, the District reported in the Schedule of Federal Awards \$11,066 of donated commodities at fair market value received and disbursed.

Note 3 - Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year.

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

Schedule SS4C

Page 39

Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Grant Period	Program or Award Amount	Revenue	Expenditures
US Department of Education:						
Passed through NYS						
Department of Education:						
Title I	84.010A	0021-21-0355	2021	\$ 102,711	\$ 56,024	\$ 56,024
IDEA, Part B Section 611 **	84.027A	0032-21-0104	2021	140,083	140,083	140,083
IDEA, Part B Section 619 **	84.173A	0033-21-0104	2021	1,305	1,305	1,305
Title II, Part A	84.367A	0147-21-0355	2021	22,057	11,595	11,595
Title IV	84.424	0204-21-0355	2021	10,000	5,754	5,754
CARES Act - ESSERF	84.425D	5890-21-0355	2021	96,148	96,148	96,148
CARES Act - GEER	84.425C	5895-21-0355	2021	16,295	16,295	16,295
US Department of Agriculture:						
Passed through NYS						
Department of Education;						
Summer Food Service Program ***	10.559	N/A	2021	130,125	130,125	130,125
Passed through NYS						
Office of General Services;						
National School Lunch Program						
Noncash assistance (Donated Commodities) ***	10.555	N/A	2021	11,066	11,066	11,066
Total expenditures and revenue					\$ 468,395	\$ 468,395

** Constitutes a cluster of Federal programs named Special Education Cluster with total revenue and expenditures of \$ 141,388
*** Constitutes a cluster of Federal programs named Child Nutrition Cluster with total revenue and expenditures of \$ 141,191

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
AS OF JUNE 30, 2021

Schedule SS5

Page 40

Capital Assets	\$	25,726,458
Less:		
Serial Bonds		(13,378,734)
Energy Performance Contract		(613,888)
Bond anticipation notes		(717,000)
Plus:		
Net cash to be used for capital assets		<u>680,194</u>
Net investment in capital assets	\$	<u><u>11,697,030</u></u>

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET
OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2021

Schedule SS6

Page 41

As of the measurement date of March 31,	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 170,000	\$ 170,012	\$ 119,873	\$ 119,873
Interest	108,000	108,324	91,512	91,512
Differences between expected and actual experience	-	(224,335)	-	228,922
Changes in assumptions or other inputs	-	620,027	-	9,600
Benefit payments	(308,000)	(304,731)	(98,262)	(320,397)
Net change in total OPEB liability	(30,000)	369,297	113,123	129,510
Total OPEB liability - beginning	3,220,659	2,851,362	2,738,239	2,608,729
Total OPEB liability - ending	<u>\$ 3,190,659</u>	<u>\$ 3,220,659</u>	<u>\$ 2,851,362</u>	<u>\$ 2,738,239</u>
Plan fiduciary net position				
Contributions - employer	\$ 308,000	\$ 304,731	\$ 98,262	\$ 320,397
Net investment income	-	-	-	-
Benefit payments	(308,000)	(304,731)	(98,262)	(320,397)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability	<u>\$ 3,190,659</u>	<u>\$ 3,220,659</u>	<u>\$ 2,851,362</u>	<u>\$ 2,738,239</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 6,658,452	\$ 6,658,452	\$ 7,003,473	\$ 6,251,749
District's net OPEB liability as a percentage of covered-employee payroll	47.92%	48.37%	40.71%	43.80%

Notes to Schedule:

Benefit Changes: None

Changes in assumptions: None

An updated valuation was not performed for the year-ended June 30, 2021 and amounts were rolled forward based on the prior year report.

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB
FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2021

Schedule SS7

Page 42

For the year ended June 30,	2021	2020	2019	2018
Actuarially determined contributions	\$ 308,000	\$ 304,731	\$ 98,262	\$ 320,397
Contributions in relation to the actuarially determined contribution	(308,000)	(304,731)	(98,262)	(320,397)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,658,452	\$ 6,658,452	\$ 7,003,473	\$ 6,251,749
Contributions as a percentage of District's covered-employee payroll	4.63%	4.58%	1.40%	5.12%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2019 and measured as of June 30, 2020.

An updated valuation was not performed for the year-ended June 30, 2021 and amounts were rolled forward based on the prior year report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	Discount rate of - 2.48% as of June 30, 2020
Inflation	2.22% per year
Healthcare cost trend rates	2020 - 5.2%. Rates expected to decrease each year thereafter with an ultimate rate of 4.18% after 2070.
Salary increases	3.22% per year
Mortality	Scale MP-2019, fully generational
Retiree Cost Sharing	Varies based on negotiated contracts
Participants	132 Active and 52 Retirees

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2021

Schedule SS8

Page 43

New York State Teachers' Retirement System

For the year ended June 30,	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 482,952	\$ 462,684	\$ 542,486	\$ 482,332	\$ 575,518	\$ 636,024	\$ 820,362
Contributions in relation to the contractually required contribution	(482,952)	(462,684)	(542,486)	(482,332)	(575,518)	(636,024)	(820,362)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,067,702	\$ 5,222,167	\$ 5,108,154	\$ 4,921,755	\$ 4,910,563	\$ 4,796,561	\$ 4,679,760
Contributions as a percentage of District's covered-employee payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

New York State Local Employees' Retirement System

For the year ended March 31,	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 237,368	\$ 234,407	\$ 229,595	\$ 229,253	\$ 231,314	\$ 249,226	\$ 275,590
Contributions in relation to the contractually required contribution	(237,368)	(234,407)	(229,595)	(229,253)	(231,314)	(249,226)	(275,590)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,750,937	\$ 1,773,238	\$ 1,676,852	\$ 1,632,007	\$ 1,523,201	\$ 1,517,298	\$ 1,522,071
Contributions as a percentage of District's covered-employee payroll	13.56%	13.22%	13.69%	14.05%	15.19%	16.43%	18.11%

See accompanying independent auditor's report.

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY) – NYSTRS AND PROPORTIONATE SHARE OF
NET PENSION LIABILITY - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2021

New York State Teachers' Retirement System - Net Pension Asset (Liability)

As of the measurement date of June 30,	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	n/a	0.030767%	0.030603%	0.030215%	0.030988%	0.031084%	0.031154%	0.032011%
District's proportionate share of the net pension asset (liability)	n/a	\$ (850,180)	\$ 795,071	\$ 549,374	\$ 235,539	\$ (332,922)	\$ 3,235,911	\$ 3,565,829
District's covered-employee payroll	n/a	\$ 5,222,167	\$ 5,108,154	\$ 4,921,755	\$ 4,910,563	\$ 4,796,561	\$ 4,679,760	\$ 4,843,999
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	-16.28%	15.56%	11.16%	4.80%	-6.94%	69.15%	73.61%
Plan fiduciary net position as a percentage of the total pension liability	n/a	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

New York State Local Employees' Retirement System - Net Pension (Liability)

As of the measurement date of March 31,	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension (liability)	0.0052684%	0.0053146%	0.0056285%	0.0049842%	0.0053179%	0.0053735%	0.0054788%	n/a
District's proportionate share of the net pension (liability)	\$ (5,246)	\$ (1,407,336)	\$ (398,795)	\$ (160,861)	\$ (499,681)	\$ (862,466)	\$ (185,086)	n/a
District's covered-employee payroll	\$ 1,750,937	\$ 1,773,238	\$ 1,676,852	\$ 1,632,007	\$ 1,523,201	\$ 1,517,298	\$ 1,522,071	n/a
District's proportionate share of the net pension (liability) as a percentage of its covered employee payroll	-0.30%	-79.37%	-23.78%	-9.86%	-32.80%	-56.84%	-12.16%	n/a
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%	n/a

See accompanying independent auditor's report.



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

**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 President and
Members of the Board of Education
Bemus Point Central School District
Bemus Point, New York**

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Bemus Point Central School District* as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise *Bemus Point 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 *Bemus Point 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 *Bemus Point Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Bemus Point 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 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 deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item II.A.2021-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Bemus Point 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2021-002.

Bemus Point Central School District's Responses to Findings

Bemus Point Central School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. *Bemus Point Central School District's* responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not provided 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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Jamestown, New York
October 4, 2021**

**BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Page 47

I. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of *Bemus Point Central School District*.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards." The significant deficiency is described in the accompanying schedule of findings and questioned costs as item II.A.2021-001.
3. There was one instance of noncompliance material to the financial statements of *Bemus Point Central School District* reported in the 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." This instance of noncompliance is described in the accompanying schedule of findings and questioned costs as item II.B.2021-001.
4. A single audit in accordance with the Uniform Guidance was not required during the fiscal year ended June 30, 2021, as the District's expenditures of Federal Awards were below \$750,000.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

**2021-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements
Year ended June 30, 2021**

Condition and Criteria: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to recording accrued expenses and converting to the full accrual method for government-wide financial statement purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

Cause and Effect: AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency. Without this assistance, the potential risk exists of the District's financial statements not conforming to GAAP.

Auditor's Recommendation: Although auditors may continue to provide such assistance both now and in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

District's Response: The District has received, reviewed and approved all journal entries, footnote disclosures and draft financial statements proposed for the current year audit and will continue to review similar information in future years. Further the District believes it has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements.

B. COMPLIANCE AND OTHER MATTERS

**2021-002 Unassigned Fund Balance
Year ended June 30, 2021**

Conditions and criteria: *Bemus Point Central School District's* unassigned fund balance as of June 30, 2021 amounted to \$927,661 . This amount constitutes approximately 5.95% of the 2021-2022 school budget.

Cause and Effect: The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Auditor's Recommendation: *Bemus Point Central School District* should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

District's Response: *Bemus Point Central School District* realizes that it's unassigned fund balance as of June 30, 2021 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

Year ended June 30, 2020

There were no findings related to internal control over financial reporting as reported upon by other auditors in their report dated September 25, 2020.

B. COMPLIANCE AND OTHER MATTERS

Year Ended June 30, 2020

There were no findings related to compliance and other matters as reported upon by other auditors in their report dated September 25, 2020.

II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

Total Federal expenditures did not exceed \$750,000 and therefore the District was not subjected to a single audit in accordance with the Uniform Guidance during the year ended June 30, 2020.

**To the President and Members of the
Board of Education
and School Administration
Bemus Point Central School District
Bemus Point, New York**

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2021 of the District's financial statements and have issued our reports thereon dated October 4, 2021. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the *Bemus Point Central School District* for the year ended June 30, 2021, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2019 through June 30, 2021. In addition, we have also presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. *Bemus Point Central School District* has provided responses to additional comments that follow, however, we did not audit such responses, and accordingly, we express no opinion on them.

The analysis of the use of the District's fund equity shows that the District maintains a number of reserves. The reserves presented here are only those that are reported in the General Fund. The uses and legal restrictions of each of these reserve categories are listed in the footnotes to the financial statements. These reserves reduce the amount of the District's unassigned fund equity.

We have enjoyed working with the District this year and wish to thank all of the staff who have assisted us during our audit.

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
October 4, 2021

BEMUS POINT CENTRAL SCHOOL DISTRICT
REVENUE AND EXPENDITURE COMPARISON AND ANALYSIS OF
FUND EQUITY (AMOUNTS IN \$1,000)

	6/30/2021	** 6/30/2020	** 6/30/2019
Revenue and other sources			
Property taxes	\$ 8,982	\$ 8,780	\$ 8,785
State aid	5,752	5,934	5,928
All other	357	442	334
	<u>15,091</u>	<u>15,156</u>	<u>15,047</u>
Expenditures and other uses			
General support	1,873	1,826	1,934
Instruction	6,988	7,369	7,279
Transportation	512	632	627
Benefits	2,886	2,875	2,753
Debt	1,934	1,930	1,932
Community services	0	2	11
Transfers	119	431	123
	<u>14,312</u>	<u>15,065</u>	<u>14,659</u>
Excess (deficiency) of revenue over expenditures	779	91	388
Fund equity			
Beginning of year	2,682	2,591	2,203
End of year	<u>\$ 3,461</u>	<u>\$ 2,682</u>	<u>\$ 2,591</u>
Analysis of fund equity			
Non-spendable	\$ 5	\$ 5	\$ -
Restricted			
Capital reserve	415	-	-
Reserve for tax certiorari	32	32	31
Reserve for unemployment insurance	196	197	200
Reserve for workers' compensation	140	140	139
Reserve for insurance	313	313	311
Reserve for employee benefits	117	104	71
Reserve for ERS	277	276	145
Reserve for TRS	309	201	98
Assigned	730	651	583
Unassigned	927	763	1,013
	<u>\$ 3,461</u>	<u>\$ 2,682</u>	<u>\$ 2,591</u>

** - amounts audited by other auditors and provided for informational purposes only

**BEMUS POINT CENTRAL SCHOOL DISTRICT
SUMMARY OF ADDITIONAL COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Page 3

GASB 87- Accounting for Leases

In 2017, the Governmental Accounting Standards Board issued Statement No. 87, Accounting for Leases, which will be effective for the fiscal year ending June 30, 2022. The primary objective of this is new standard is to bring most leases onto the balance sheet. The goal is to determine if any operating leases contain a right-to-use asset and record an asset and liability related to that lease. Also under the new standard there will be changes in the terms used for the two classifications; operating leases and finance leases (previously capital leases). We recommend that the District begin to collect pertinent data on all lease agreements for evaluation along with familiarizing themselves with the new lease standard, which may include continuing education, webinars and further training.

District Response: The District will review the new standard and ensure adherence.

BEMUS POINT CENTRAL SCHOOL DISTRICT

***EXTRACLASSROOM ACTIVITY FUND
FINANCIAL STATEMENT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

***WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS***

BEMUS POINT CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Extraclassroom Financial Statements	
Statement of Receipts and Disbursements – Cash Basis.....	2
Note to Financial Statement.....	3



INDEPENDENT AUDITOR'S REPORT

**To the President and
Members of the Board of Education
Bemus Point Central School District
Bemus Point, New York**

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the *Bemus Point Central School District* for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 the *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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 statement referred to above presents fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of the *Bemus Point Central School District* for the year ended June 30, 2021 on the basis of accounting described in Note 1.

Report on Prior Year Information

The financial statements of *Bemus Point Central School District* as of June 30, 2020 were audited by other auditors whose report dated September 25, 2020, expressed a qualified opinion on those statements.

Buffamante Whipple Buttafaro PC

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
Jamestown, New York
October 4, 2021**

BEMUS POINT CENTRAL SCHOOL DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
JULY 1, 2020 THROUGH JUNE 30, 2021

	Balances June 30, 2020	Total Receipts	Total Receipts & Balances	Total Payments	Balances June 30, 2021
Extracurricular activities:					
Athletic Club	\$ 2,518	\$ 105	\$ 2,623	\$ 1,536	\$ 1,087
Baseball	-	46	46	-	46
Class of 2019	843	118	961	961	-
Class of 2020	10,032	101	10,133	10,133	-
Class of 2021	9,738	9,034	18,772	17,496	1,276
Class of 2022	5,798	1,300	7,098	601	6,497
Class of 2023	2,938	6,327	9,265	3,617	5,648
Class of 2024	1,096	1,807	2,903	-	2,903
Class of 2025	227	3,811	4,038	2,088	1,950
Class of 2026	105	2,738	2,843	-	2,843
Fine Arts	8,839	238	9,077	246	8,831
Foreign Language Club	436	-	436	-	436
Library Club	431	-	431	-	431
Honor Society	182	1,160	1,342	1,245	97
President's Cabinet	197	59	256	15	241
Sales tax	84	697	781	246	535
Student Council	905	2,565	3,470	1,486	1,984
Technology Club	4,581	-	4,581	48	4,533
Wellness	824	-	824	-	824
Yearbook	6,806	7,000	13,806	9,916	3,890
Total activity fund	\$ 56,580	\$ 37,106	\$ 93,686	\$ 49,634	\$ 44,052

**BEMUS POINT CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

Page 3

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are included in the financial statements of the School District. Cash balances of \$44,052 are included in the Miscellaneous Special Revenue Fund with a corresponding amount recorded as committed fund balance.

The accounts of the Extraclassroom Activity Fund of *Bemus Point Central School District* are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.



To the President and Members of the
Board of Education
and School Administration
Bemus Point Central School District
Bemus Point, New York

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of **Bemus Point Central School District** as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered **Bemus Point Central School District's** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Bemus Point Central School District's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Bemus Point Central School District's** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

Point of Sale Records

We noted several instances where the receipt of cash lacked point of sale records. Each cash receipt received by the central treasurer should be accompanied by supporting documentation which reconciles cash received to participation times rates/fees. We recommend that point of sale records be filled out in detail or an appropriate summary be attached by the student treasurer or teacher advisor, and be verified or reviewed by the central treasurer.

District response: The Business Office staff discusses with class advisers, every year and throughout the year, regarding the need for accurate and detailed records. We will continue to work with advisers to maintain the appropriate records.

This communication is intended solely for the information and use of management, Board of Education, and others within **Bemus Point Central School District**, and is not intended to be, and should not be, used by anyone other than these specified parties.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Jamestown, New York
October 4, 2021



October 4, 2021

To the Audit Committee
and Board of Education
Bemus Point Central School District
Bemus Point, New York

We have audited the financial statements of Bemus Point Central School District as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bemus Point Central School District are described in Note 1 to the financial statements. During the current year, the District implemented Governmental Accounting Standards Board Statement Number 84, Fiduciary Activities. The implementation of this new standard resulted in a prior period adjustment in which certain extraclassroom funds were moved from a fiduciary fund type to a governmental fund type as they no longer meet the definition of being a fiduciary activity. Also, certain payroll transactions were reclassified from a fiduciary activity to a general fund activity. We noted no transactions entered into by Bemus Point Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

Management's estimate of the depreciation is based on estimates of useful lives of assets and cost basis of certain assets were derived from a third-party independent appraisal company. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

In addition, the District also has estimated future costs associated with pension and other post-employment benefits and has recorded a net pension liability (ERS), a net pension asset (TRS) and an other post-employment benefit liability based on an actuarial study performed by a third-party actuary. We evaluated the key assumptions used to develop this study and its' reasonableness in relation to the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures on long-term debt in Note 3V and disclosures related to the COVID-19 pandemic in Note 5 to the financial statements due to their significance.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements with the exception of the following: Uncorrected misstatements that management has determined are not material to the financial statements include: an understatement of tuition receivable in the amount of \$73,000 related to the 20-21 school year (general fund), an understatement of prepaid expenditures in the amount of \$350,000 related to July 2021 and August 2021 health insurance bills paid in June 2021 (general fund); and an overstatement of retiree health insurance liability of \$77,000 (general fund). The impact of these adjustments would increase non-spendable fund balance by \$350,000 and unassigned fund balance by \$150,000.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 4, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Bemus Point Central School District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Bemus Point Central School District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board and management of Bemus Point Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.