

WESTHILL CENTRAL  
SCHOOL DISTRICT



MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS

AND

BASIC FINANCIAL  
STATEMENTS

For the Year Ended  
June 30, 2021

**WESTHILL CENTRAL SCHOOL DISTRICT  
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## Independent Auditor's Report

Board of Education  
Westhill Central School District, New York

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westhill 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.

### New Accounting Standard

As discussed in Note 1 and 17 to the financial statements, the School District changed its accounting policies related to the accounting and reporting of fiduciary activities by adopting the Governmental Accounting Standards Board's (GASB) Statement No. 84, *Fiduciary Activities*. The new pronouncement changes the criteria used to determine which government activities are considered fiduciary and provides guidance on accounting and reporting for the fiduciary activities identified. Our opinion is not modified with respect to this matter.

## **Other-Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westhill Central School District's basic financial statements as a whole. The other supplementary information on pages 51 through 53 is presented for purposes of additional analysis as required by New York State Education Department and is not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021, on our consideration of the Westhill Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Westhill Central School District's internal control over financial reporting and compliance.

*D'Arcangelo + Co., LLP*

September 22, 2021

Rome, New York

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

The Westhill Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

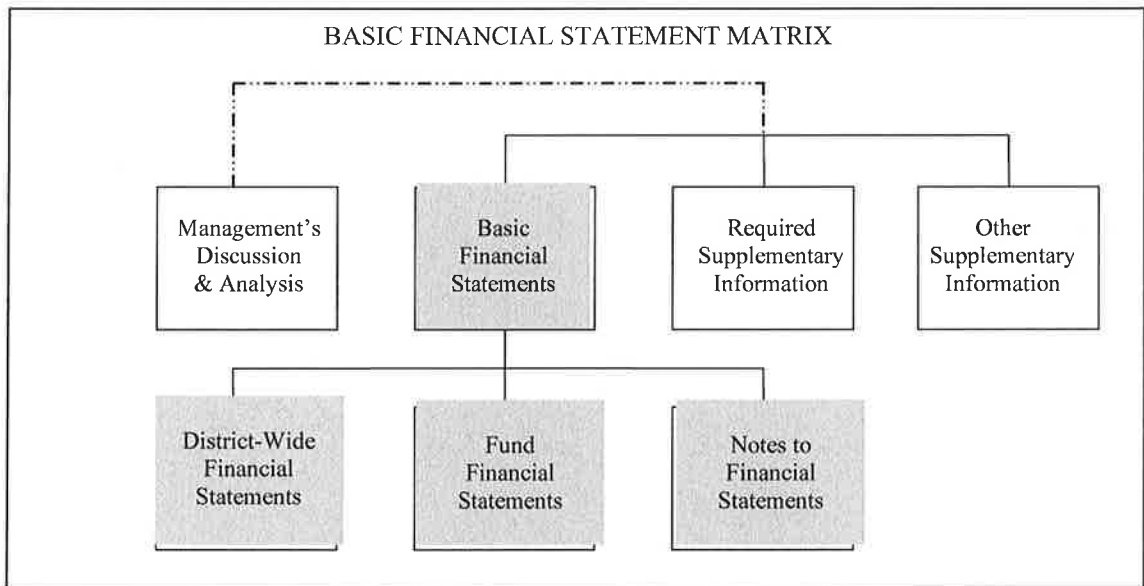
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2021, are as follows:

- The District's total Net Position, as reflected in the District-wide financial statements, increased by \$5,786,671.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$33,653,526. Of this amount, 3.6% or \$1,216,427 was offset by program charges for services and operating grants. General revenues of \$38,223,770 amount to 96.9% of total revenues. These revenues covered the remaining of program expenses leaving an increase in net position of \$5,786,671.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$711,225 to \$9,875,614. This was due to an unexpended General Fund budget of \$3,327,420 mainly due to the COVID-19 pandemic curtailing operations.
- State and Federal revenue decreased by \$744,049 or approximately 4.7% in 2021. This was mainly due to a \$694,541 decrease from State building and transportation aids in the General Fund.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

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**A. District-wide Financial Statements**

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as Net Position. Increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in Net Position during the fiscal year. All changes in Net Position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

**B. Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide on the subsequent page, a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds, general fund, school lunch fund, special aid fund, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A. Net Position**

The District's total Net Position increased \$5,783,130 between fiscal year 2020 and 2021. A summary of the District's Statement of Net Position for June 30, 2021 and 2020, is as follows:

	2021	(Restated) 2020	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 21,576,145	\$ 13,464,230	\$ 8,111,915	60.2%
Net Pension Asset - Proportionate Share		1,973,513	(1,973,513)	(100.0%)
Capital Assets, (Net of Depreciation)	<u>68,802,581</u>	<u>68,763,275</u>	<u>39,306</u>	0.1%
Total Assets	<u>90,378,726</u>	<u>84,201,018</u>	<u>6,177,708</u>	7.3%
Deferred Outflow of Resources	<u>28,026,663</u>	<u>11,764,855</u>	<u>16,261,808</u>	138.2%
Non-Current Liabilities	129,496,317	111,511,439	17,984,878	16.1%
Net Pension Liability - Proportionate Share	2,194,257	2,638,477	(444,220)	(16.8%)
Other Liabilities	<u>11,513,622</u>	<u>2,120,481</u>	<u>9,393,141</u>	443.0%
Total Liabilities	<u>143,204,196</u>	<u>116,270,397</u>	<u>26,933,799</u>	23.2%
Deferred Inflow of Resources	<u>5,016,002</u>	<u>15,296,956</u>	<u>(10,280,954)</u>	(67.2%)
Net Position				
Net Investment in Capital Assets	32,859,613	32,508,941	350,672	1.1%
Restricted	4,345,238	4,403,344	(58,106)	(1.3%)
Unrestricted (Deficit)	<u>(67,019,660)</u>	<u>(72,513,765)</u>	<u>5,494,105</u>	7.6%
Total Net Position (Deficit)	<u>\$ (29,814,809)</u>	<u>\$ (35,601,480)</u>	<u>\$ 5,786,671</u>	16.3%

Current and Other assets increased by \$8,111,915, the increase was primarily because the District issued a BAN at the end of the current fiscal year for \$8,950,000, which increased both Cash and Cash Equivalents and Current Liabilities at the end of the fiscal year.

The net change in the proportionate share of net assets and/or liabilities and the amounts of deferred inflows and outflows resulted in an increase in financial position of \$363,893. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, in 2015. This requires the inclusion of the District's proportionate share of net assets and/or liabilities in the New York State Teachers' Retirement System and Employees' Retirement Systems.

The accounting for Other Post Employment Benefit (OPEB) Liabilities resulted in a \$20,978,894 increase in the Non-Current Liabilities noted above. This increase was mainly due to a decrease in the discount rate used in the actuary's calculations from 3.50% to 2.21%. The OPEB changes also resulted in an increased in deferred outflows by \$14,834,008 and a decrease in deferred outflows by \$11,615,788.

The Net Position invested in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.



**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

The unrestricted Net Position at June 30, 2021, is a deficit of \$67,019,660, which represents the amount by which the District's liabilities, excluding debt related to capital construction, exceeded the District's assets other than capital assets. This deficit is due to the \$94,795,597 OPEB liability at June 30, 2021. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

The restricted Net Position at June 30, 2021, is \$4,345,238, which represents the amount of the District's reserves and other restricted funds in the Debt Service.

**B. Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows.

	2021	2020	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 157,898	\$ 378,671	\$ (220,773)	(58.3%)
Operating Grants	1,058,529	909,860	148,669	16.3%
General Revenues				
Property Taxes and STAR	22,372,916	21,797,207	575,709	2.6%
Nonproperty Tax Items	67,827	61,343	6,484	10.6%
State and Federal Sources	14,970,288	15,714,337	(744,049)	(4.7%)
Other	812,739	707,538	105,201	14.9%
Total Revenues	<u>39,440,197</u>	<u>39,568,956</u>	<u>(128,759)</u>	(0.3%)
<b>Expenses</b>				
General Support	3,897,567	4,203,593	(306,026)	(7.3%)
Instruction	25,728,578	25,623,977	104,601	0.4%
Pupil Transportation	2,159,282	2,486,779	(327,497)	(13.2%)
Debt Service-Unallocated Interest	1,364,382	1,035,271	329,111	31.8%
Food Service Program	503,717	665,686	(161,969)	(24.3%)
Total Expenses	<u>33,653,526</u>	<u>34,015,306</u>	<u>(361,780)</u>	(1.1%)
Total Change in Net Position	<u>\$ 5,786,671</u>	<u>\$ 5,553,650</u>	<u>\$ 233,021</u>	4.2%

The District's revenues decreased by \$128,759 in 2021 or 0.3%. The major factors that contributed to the decrease were:

- The District's 2019-2020 voter approved budget carried a property tax levy increase of 2.7%.
- State and Federal revenue decreased by a net of \$744,049 or 4.7% in 2021. This was mainly due to a \$694,541 decrease from State building and transportation aids in the General Fund.
- Operating Grants increased \$145,128 mainly due to the School Lunch Fund's federal aid increasing \$91,271 due to changes in the program due to COVID-19.

The District's expenses decreased by \$361,780 in 2021 or 1.1%. The major factors that contributed to the decrease were:

- General Support decreased by \$306,026 or 7.3%. This was mainly due to a legal settlement in the prior year in the amount of \$225,000.
- Overall, payroll decreased a total of \$64,055 or 0.4%.
- Health insurance expenditures in the General Fund increased \$186,253 or 3%.
- Unemployment expenditures in the General Fund increased \$114,404 from \$3,583 in 2020.

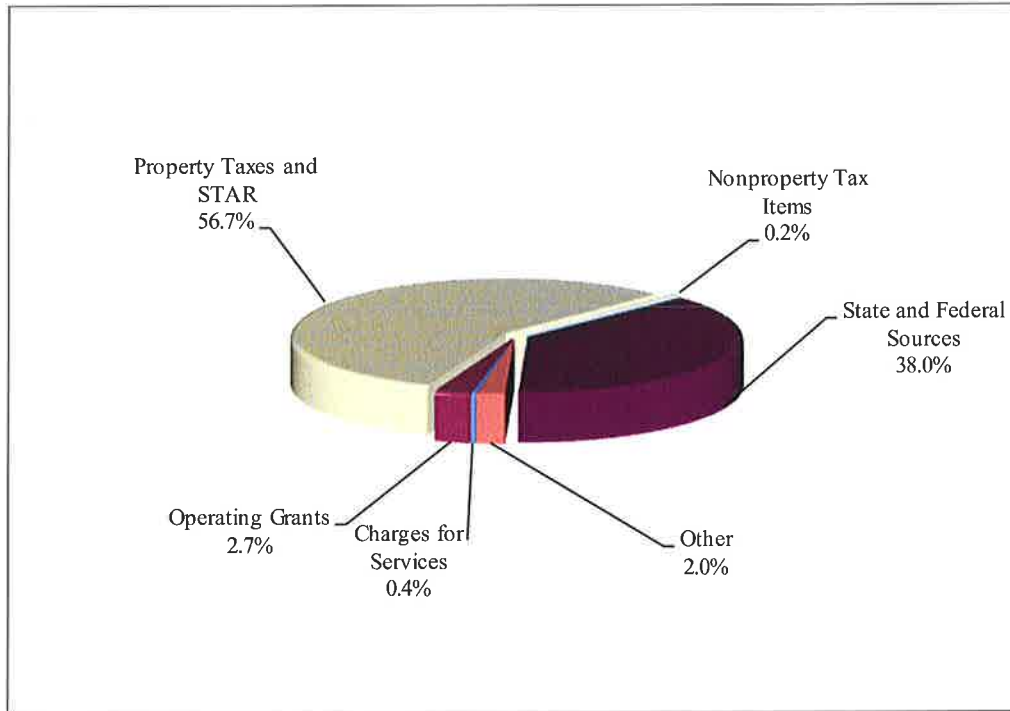


**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

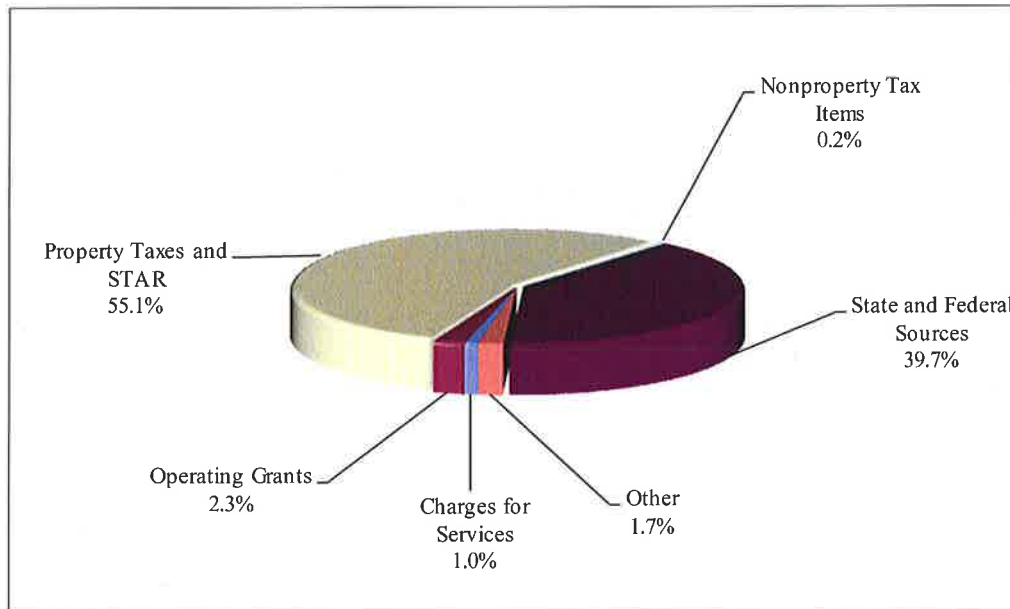
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- A graphic display of the distribution of revenues for the two years follows:

**For the Year Ended June 30, 2021**



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



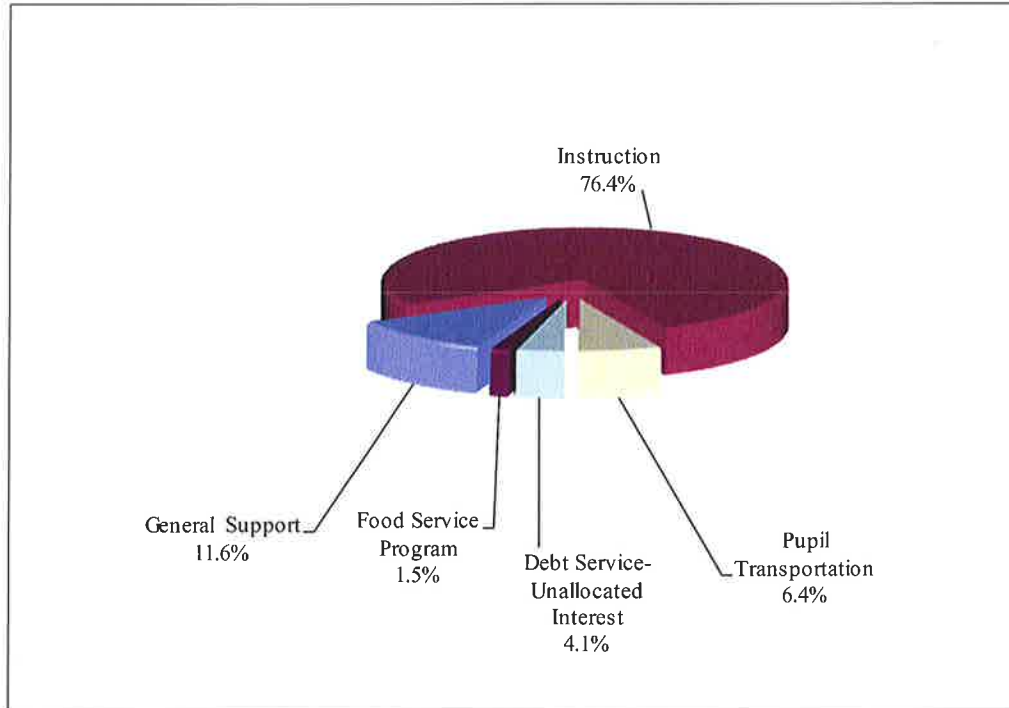
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**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

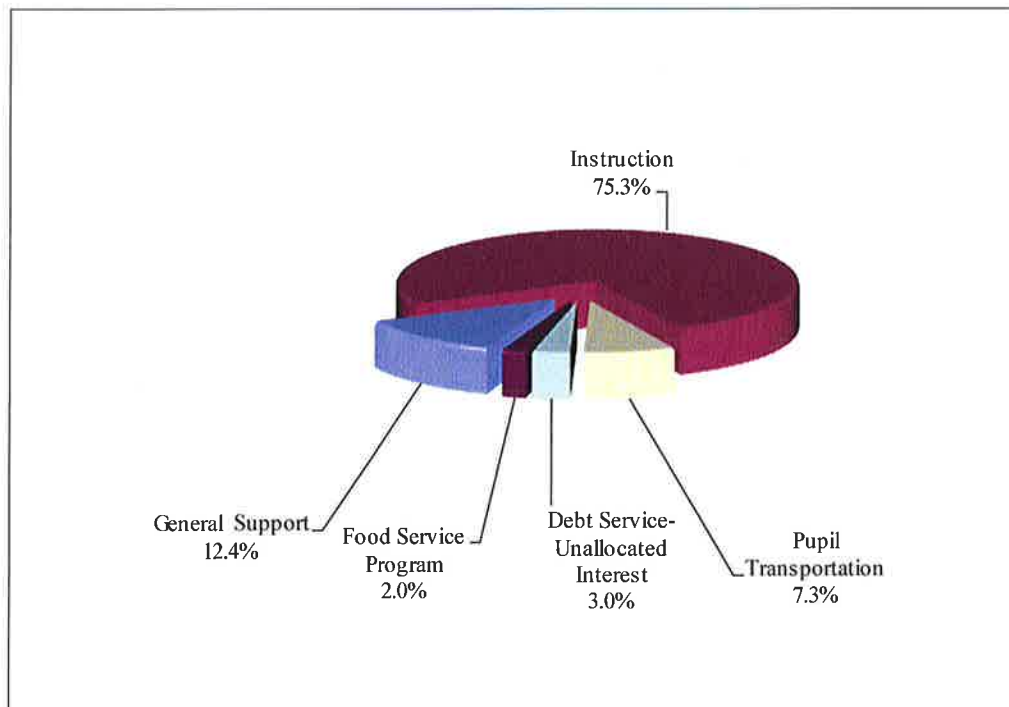
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- A graphic display of the distribution of expenses for the two years follows:

**For the Year Ended June 30, 2021**



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



See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$10,364,346 which is an decrease of \$956,937 over the prior year. The decrease is due to the expenditures in the Capital Fund for which permanent financing is not scheduled to be obtained until a subsequent year. A summary of the change in fund balance by fund is as follows:

	Ending Balance	Beginning Balance	Difference
<b>General Fund</b>			
<b>Nonspendable</b>	\$ 1,062,006	\$ 1,038,195	\$ 23,811
<b>Restricted</b>			
Employee Benefit Accrued Liability	238,630	238,598	32
Retirement Contribution	966,958	966,958	
Tax Certiorari	397,704	397,651	53
Unemployment Insurance	92,124	160,000	(67,876)
Workers' Compensation	375,000	375,000	
Capital Reserve	650,000	300,000	350,000
Total Restricted	2,720,416	2,438,207	282,209
<b>Assigned</b>			
Appropriated for Subsequent Year's Budget	2,329,000	2,026,982	302,018
General Support	92,942	66,652	26,290
Instruction	89,875	63,061	26,814
Pupil Transportation	0	1,468	(1,468)
Total Assigned	2,511,817	2,158,163	353,654
<b>Unassigned</b>	3,581,375	3,529,824	51,551
<b>Total General Fund</b>	9,875,614	9,164,389	711,225
<b>School Lunch Fund</b>			
Nonspendable	8,742	16,914	(8,172)
Assigned	166,933	174,843	(7,910)
<b>Total School Lunch Fund</b>	175,675	191,757	(16,082)
<b>Special Aid Fund</b>			
Unassigned (Deficit)	(270,932)	0	(270,932)
<b>Miscellaneous Special Revenue Fund</b>			
Restricted	19,970	21,225	(1,255)
<b>Debt Service Fund</b>			
Restricted	1,604,852	743,951	860,901
<b>Capital Fund</b>			
Restricted	0	1,199,961	(1,199,961)
Unassigned (Deficit)	(1,308,224)	0	(1,308,224)
<b>Total Capital Fund</b>	(1,308,224)	1,199,961	(2,508,185)
<b>Total</b>	\$ 10,096,955	\$ 11,321,283	\$ (1,224,328)

The combined increase of \$282,209 to the General fund restricted fund balances for the year ending June 30, 2021, were mainly due to a transfer of \$350,000 to the Capital Reserve.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

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**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2020-2021 Budget**

The District's General fund adopted budget for the year ended June 30, 2021, was \$40,704,000. The budget was increased by \$229,056 due to \$131,180 for carryover encumbrances from the prior year, \$67,876 amendment for appropriations of the Unemployment Reserve, and \$30,000 amendments for the donation - Chromebooks from Westhill Education Foundation.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$19,344,533 in estimated property taxes and \$18,176,756 in estimated STAR and State Aid.

**B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)**

The General fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 3,529,824
Revenues and Other Sources under Budget	(2,616,195)
Carryover Encumbrances from June 30, 2020	131,181
Expenditures under Budget	3,327,420
Encumbrances at June 30, 2021	(182,817)
Change to Assigned - Designated for Subsequent Year's Expenditures	(302,018)
Increase to Nonspendable	(23,811)
Net Increase to Reserved Funds	(282,209)
Closing, Unassigned Fund Balance	<u>\$ 3,581,375</u>

**Opening, Unassigned Fund Balance**

The \$3,529,842 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained unassigned. This was 8.7% of the District's 2020-2021 approved operating budget.

**Revenues Over Budget**

The 2020-2021 budget for revenues and transfers was \$38,707,017. The actual revenues and transfers received for the year were \$38,316,861. The actual revenue was under-estimated or budgeted revenue by \$390,156. This variance combined with a total appropriated reserves and fund balance and reserves of \$2,226,039, resulted in a total deficit of revenues and other sources totaling to \$2,616,195. This deficit contributes directly to the change to the unassigned portion of the General fund balance from June 30, 2020 to June 30, 2021.

**Expenditures and Encumbrances Under Budget**

The 2020-2021 budget for expenditures was \$40,933,056. The actual expenditures and encumbrances were \$37,788,453. The final budget was under expended by \$3,327,420, before encumbrances of \$182,817. This under expenditure contributes to the change to the unassigned portion of the General fund balance from June 30, 2020 to June 30, 2021.

**Appropriated Fund Balance**

The District has chosen to use \$2,329,000 of its available June 30, 2021, fund balance to partially fund its 2021-2022 approved operating budget. This amount was \$302,018 higher than the prior year.

**Reserved Fund Balance**

The District's reserve funds increased by \$282,209 in the General Fund for the year ending June 30, 2021. The increase is due to a decrease of \$67,876 for the appropriation of the Unemployment Reserve and an increase of \$350,000 for the Capital Reserve.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

Closing, Unreserved - Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2021-2022 fiscal year with an unassigned fund balance of \$3,581,375. This is an increase of \$51,551 over the unassigned balance from the prior year. This was 8.6% of the District's approved operating budget for 2021-2022.

**6. CAPITAL ASSET AND DEBT ADMINISTRATION**

**A. Capital Assets**

At June 30, 2021, the District had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital additions less depreciation recorded for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020, is as follows:

	2021	2020	Increase (Decrease)
Land	\$ 1,323,944	\$ 1,323,944	\$
Construction in Process	2,486,123	676,940	1,809,183
Land Improvements	3,952,943	4,236,139	(283,196)
Buildings	60,088,005	60,449,361	(361,356)
Vehicles, Furniture, and Equipment	951,566	2,076,891	(1,125,325)
Capital Assets, Net	<u>\$ 68,802,581</u>	<u>\$ 68,763,275</u>	<u>\$ 39,306</u>

**B. Debt Administration**

At June 30, 2021, the District had total bonds payable of \$29,794,892 which utilized 42.1% of the District's debt limit established by New York State Constitution. A summary of the outstanding debt at June 30, 2021 and 2020, is as follows:

Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Serial Bonds				
08/16	2.00-4.00	\$ 1,155,000	\$ 1,525,000	\$ (370,000)
06/13	2.00-3.50%	14,255,000	15,745,000	(1,490,000)
11/15	1.60-1.75%		65,000	(65,000)
11/16	0.75-2.50%	75,000	145,000	(70,000)
11/17	1.75-2.125%	180,000	270,000	(90,000)
10/18	3.00%	270,000	355,000	(85,000)
1/20	1.60-1.75%	405,000	497,642	(92,642)
12/20	1.125-1.20%	449,892		449,892
06/20	5.00%	13,005,000	13,730,000	(725,000)
		<u>\$ 29,794,892</u>	<u>\$ 32,332,642</u>	<u>\$ (2,537,750)</u>

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2021**

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**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The budget for the 2021-22 school year was approved by the voters of the District on May 18, 2021. The approved budget of \$41,671,857 is an increase of \$967,857 or 2.38% from the 2020-21 budget and carries a tax levy increase of 1.34%. The tax levy increase is below the tax cap.

During the 2021-22 school year, the Westhill Central School District anticipates an increase of \$952,036 in State aid primarily due to the partial restoration of the NYS foundation aid formula.

The Westhill Central School District has been allocated over \$3,400,000 from the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan. These monies must be used in the next two to three years respectively to address capital project work, learning loss and social and emotional learning. The District's applications for each have been approved by the NYS Education Department.

The Westhill Central School District continues to operate under additional safety measures due to COVID-19; following county and state department of health and CDC guidelines.

Voters approved the purchase of two minivans, two 22 passenger cut-away buses and two 66-passenger buses. The total cost of the vehicles are not to exceed \$450,000.

**8. CONTACTING THE DISTRICT**

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

**Westhill Central School District  
400 Walberta Road  
Syracuse, New York 13219-2214**

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

**Assets**

Cash and Cash Equivalents	\$ 7,463,920
Restricted Cash and Cash Equivalents	11,751,116
Receivables	
Due from Other Governments	1,281,499
Other Receivables	8,862
Inventory	8,742
Prepaid Expenses	1,062,006
Capital Assets (Not Being Depreciated)	2,000,884
Capital Assets (Net of Accumulated Depreciation)	<u>66,801,697</u>
<b>Total Assets</b>	<b><u>90,378,726</u></b>

**Deferred Outflow of Resources**

Deferred Outflows - OPEB	18,285,484
Deferred Outflow - Pensions	9,684,204
Deferred Charge on Refunding of Debt (Net of Amortization)	<u>56,975</u>
<b>Total Deferred Outflow of Resources</b>	<b><u>28,026,663</u></b>

**Total Assets and Deferred Outflow of Resources** **\$ 118,405,389**

**Liabilities**

Accounts Payable	\$ 40,078
Accrued Liabilities	387,859
Agency Liabilities	330,107
Retainage Payable	24,560
Due To	
Other Governments	204,574
Teachers' Retirement System	1,432,407
Employees' Retirement System	137,003
Short-Term Notes Payables	
Bond Anticipation Notes	8,950,000
Deferred Credits	
Unearned Revenue	7,034
Net Pension Liability - Proportionate Share	2,194,257
Noncurrent Liabilities	
Due Within One Year	3,447,437
Due in More Than One Year	<u>126,048,880</u>
<b>Total Liabilities</b>	<b><u>143,204,196</u></b>

**Deferred Inflow of Resources**

Deferred Inflows - OPEB	938,816
Deferred Inflow - Pensions	<u>4,077,186</u>
<b>Total Deferred Inflow of Resources</b>	<b><u>5,016,002</u></b>

**Total Liabilities and Deferred Inflow of Resources** **148,220,198**

**Net Position**

Net Investment in Capital Assets	32,859,613
Restricted	4,345,238
Unrestricted (Deficit)	<u>(67,019,660)</u>
<b>Total Net Position (Deficit)</b>	<b><u>(29,814,809)</u></b>

**Total Liabilities, Deferred Inflow of Resources, and Net Position** **\$ 118,405,389**

The Accompanying Notes are an Integral Part of These Financial Statement.



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	\$ 3,897,567	\$	\$	\$ (3,897,567)
Instruction	25,728,578	96,195	753,801	(24,878,582)
Pupil Transportation	2,159,282			(2,159,282)
Debt Service - Unallocated Interest	1,364,382			(1,364,382)
Food Service	503,717	61,703	304,728	(137,286)
Total Functions/Programs	<u>\$ 33,653,526</u>	<u>\$ 157,898</u>	<u>\$ 1,058,529</u>	<u>(32,437,099)</u>
<b>General Revenues</b>				
Real Property Taxes				19,496,950
STAR and Other Real Property Tax Items				2,875,966
Nonproperty Tax Items				67,827
Use of Money and Property				18,686
Premiums on Debt				85,224
Sales of Property and Compensation for Loss				24,326
State and Federal Sources				14,970,288
Miscellaneous				<u>684,503</u>
Total General Revenues				<u>38,223,770</u>
<b>Change in Net Position</b>				<u>5,786,671</u>
<b>Net Position (Deficit), Beginning of Year</b>				(35,622,705)
Cumulative Effect of Change in Accounting Principle				<u>21,225</u>
<b>Net Position (Deficit), Beginning of Year (Restated)</b>				<u>(35,601,480)</u>
<b>Net Position (Deficit), End of Year</b>				<u>\$ (29,814,809)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2021**

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ 6,935,485	\$ 104,822	\$ 423,613	\$	\$	\$	\$ 7,463,920
Restricted Cash and Cash Equivalents	2,720,416				1,535,382	7,495,318	11,751,116
Receivables							
Due from Other Governments	1,032,979	110,197	138,323				1,281,499
Due from Other Funds	858,527	172	976	19,970	69,470	215,928	1,165,043
Other Receivables	8,400	462					8,862
Inventory		8,742					8,742
Prepaid Expenses	1,062,006						1,062,006
Total Assets	<u>\$ 12,617,813</u>	<u>\$ 224,395</u>	<u>\$ 562,912</u>	<u>\$ 19,970</u>	<u>\$ 1,604,852</u>	<u>\$ 7,711,246</u>	<u>\$ 22,741,188</u>
<b>Liabilities</b>							
Payables							
Accounts Payable	\$ 23,299	\$ 12,693	\$ 4,086	\$	\$	\$	\$ 40,078
Accrued Liabilities	318,149						318,149
Agency Liabilities	330,107						330,107
Due To							
Other Governments	204,350	224					204,574
Other Funds	237,046	35,803	822,724			69,470	1,165,043
Teachers' Retirement System	1,432,407						1,432,407
Employees' Retirement System	137,003						137,003
Bond Anticipation Note Payable						8,950,000	8,950,000
Compensated Absences	59,838						59,838
Unearned Revenue			7,034				7,034
Total Liabilities	<u>2,742,199</u>	<u>48,720</u>	<u>833,859</u>			<u>9,019,470</u>	<u>12,644,248</u>
<b>Fund Balances</b>							
Nonspendable	1,062,006	8,742					1,070,748
Restricted	2,720,416			19,970	1,604,852		4,345,238
Assigned	2,511,817	166,933					2,678,750
Unassigned (Deficit)	<u>3,581,375</u>		<u>(270,932)</u>			<u>(1,308,224)</u>	<u>2,002,219</u>
Total Fund Balances (Deficit)	<u>9,875,614</u>	<u>175,675</u>	<u>(270,932)</u>	<u>19,970</u>	<u>1,604,852</u>	<u>(1,308,224)</u>	<u>10,096,955</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 12,617,813</u>	<u>\$ 224,395</u>	<u>\$ 562,927</u>	<u>\$ 19,970</u>	<u>\$ 1,604,852</u>	<u>\$ 7,711,246</u>	<u>\$ 22,741,203</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE DISTRICT-WIDE NET POSITION**  
**June 30, 2021**

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Total Governmental Fund Balances (Deficit) \$ 10,096,955

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Original Cost of Capital Assets	103,630,274
Accumulated Depreciation	<u>(34,827,693)</u>
	<u>68,802,581</u>

Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.

Deferred Outflows - Pensions	9,684,204
Net Pension Liability - Proportionate Share	(2,194,257)
Deferred Inflows - Pensions	<u>(4,077,186)</u>
	<u>3,412,761</u>

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:

Bonds Payable	(29,794,892)
Deferred Charges on Advanced Refundings	56,975
Deferred Premiums on Bonds	(4,623,924)
Accrued Interest on Bonds Payable	(69,710)
Other Post Employment Benefit Liabilities	(94,795,597)
Deferred Outflows - OPEB	18,285,484
Deferred Inflows - OPEB	(938,816)
Retainage Payable	(24,560)
Compensated Absences Payable	<u>(222,066)</u>
	<u>(112,127,106)</u>

**Total Net Position (Deficit) \$ (29,814,809)**

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2021**

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Revenues</b>							
Real Property Taxes	\$ 19,496,950	\$	\$		\$	\$	\$ 19,496,950
STAR and Other Real Property Tax Items	2,875,966						2,875,966
Nonproperty Tax Items	67,827						67,827
Charges for Services	96,195						96,195
Use of Money and Property	13,224				5,462		18,686
Sale of Property and Compensation for Loss	24,753						24,753
Miscellaneous	682,508			1,995			684,503
State Aid	14,619,227	10,918	63,395				14,693,540
Federal Aid	351,061	293,810	690,406				1,335,277
School Lunch Sales		61,703					61,703
<b>Total Revenues</b>	<b>38,227,711</b>	<b>366,431</b>	<b>753,801</b>	<b>1,995</b>	<b>5,462</b>		<b>39,355,400</b>
<b>Expenditures</b>							
General Support	3,176,321		19,128			1,873,554	5,069,003
Instruction	18,371,504		1,005,605	3,250			19,380,359
Pupil Transportation	1,538,724					449,892	1,988,616
Food Service Program		335,801					335,801
Employee Benefits	9,629,333	11,081					9,640,414
Debt Service - Principal	3,087,642						3,087,642
Debt Service - Interest	1,713,009						1,713,009
<b>Total Expenditures</b>	<b>37,516,533</b>	<b>346,882</b>	<b>1,024,733</b>	<b>3,250</b>		<b>2,323,446</b>	<b>41,214,844</b>
Excess (Deficit) Revenues Over Expenditures	711,178	19,549	(270,932)	(1,255)	5,462	(2,323,446)	(1,859,444)
<b>Other Financing Sources (Uses)</b>							
Proceeds of Debt						449,892	449,892
BANs Redeemed from Appropriations						100,000	100,000
Premium on Debt					85,224		85,224
Transfers from Other Funds	89,150	172			823,562	88,931	1,001,815
Transfers to Other Funds	(89,103)	(35,803)			(53,347)	(823,562)	(1,001,815)
<b>Total Other Financing Sources (Uses)</b>	<b>47</b>	<b>(35,631)</b>			<b>855,439</b>	<b>(184,739)</b>	<b>635,116</b>
<b>Excess (Deficit) Revenues Over Expenditures and Other Financing Sources</b>	<b>711,225</b>	<b>(16,082)</b>	<b>(270,932)</b>	<b>(1,255)</b>	<b>860,901</b>	<b>(2,508,185)</b>	<b>(1,224,328)</b>
<b>Fund Balances (Deficit), Beginning of Year</b>	<b>9,164,389</b>	<b>191,757</b>	<b>0</b>	<b>0</b>	<b>743,951</b>	<b>1,199,961</b>	<b>11,300,058</b>
Cumulative Effect of Change in Accounting Principle				21,225			21,225
<b>Fund Balances (Deficit), Beginning of Year (Restated)</b>	<b>9,164,389</b>	<b>191,757</b>		<b>21,225</b>	<b>743,951</b>	<b>1,199,961</b>	<b>11,321,283</b>
<b>Fund Balances, End of Year (Deficit)</b>	<b>\$ 9,875,614</b>	<b>\$ 175,675</b>	<b>\$ (270,932)</b>	<b>\$ 19,970</b>	<b>\$ 1,604,852</b>	<b>\$ (1,308,224)</b>	<b>\$ 10,096,955</b>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES AND**  
**EXPENDITURES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

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Net Changes in Fund Balance - Total Governmental Funds	\$	(1,224,328)
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Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeded depreciation and loss on disposal in the period.

Depreciation Expense	(2,344,050)		
Loss on Disposal	(427)		
Capital Outlays	<u>2,383,783</u>		39,306

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of governmental funds, but the repayment reduces long-term liabilities.

Issuance of Serial Bonds	(449,892)		
Amortization of Premium on Bonds Issued	407,154		
Amortization of Deferred Charges on Advanced Refundings	(18,992)		
Repayment Bond Principal	<u>2,987,642</u>		2,925,912

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Serial Bonds	(39,535)		
Compensated Absences	56,309		
Retainage Percentage Payable	(24,560)		
OPEB Liability with Deferred Inflows and Outflows	<u>5,470,902</u>		5,463,116

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	(1,642,475)		
Employees' Retirement System	<u>225,140</u>		<u>(1,417,335)</u>

Change in Net Position Governmental Activities	\$	<u><u>5,786,671</u></u>
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The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2021**

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	Custodial Fund
<b>Assets</b>	
Cash and Cash Equivalents - Restricted	\$ 129,868
Total Assets	<u>\$ 129,868</u>
<b>Liabilities</b>	
Accounts Payable	<u>\$ 5,928</u>
<b>Net Position</b>	
Restricted for Extraclassroom Activities	\$ 123,940
<b>Total Liabilities and Net Position</b>	<u>\$ 129,868</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2021**

	Custodial Fund
<b>Additions</b>	
Extraclassroom - Receipts	\$ 74,902
Real Property Tax Collected for Library	190,000
Total Additions	<u>264,902</u>
<b>Deductions</b>	
Extraclassroom - Disbursements	139,228
Real Property Tax Paid to Library	190,000
Total Deductions	<u>329,228</u>
<b>Change in Net Position</b>	(64,326)
<b>Net Position, Beginning of Year</b>	0
Cumulative Effect of Change in Accounting Principle	188,266
<b>Net Position, Beginning of Year (Restated)</b>	<u>188,266</u>
<b>Net Position, End of Year</b>	<u><u>\$ 123,940</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements.



**WESTHILL CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Westhill Central School District (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as it applies to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

***Reporting Entity***

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal members.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the School District's reporting entity.

***(a) Extraclassroom Activity Funds***

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a Fiduciary Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's office.

***Joint Venture***

The School District is one of 24 component districts in Onondaga-Cortland-Madison Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES' Board is considered a corporate body. Members of a BOCES' Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES' property is held by the BOCES' Board as a corporation [§1950(6)]. In addition, BOCES' Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

Financial statements for the BOCES are available from the BOCES' administrative office at OCM BOCES, 6820 Thompson Rd, Syracuse, NY 13221.

**WESTHILL CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021**

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***Basis of Presentation***

***(a) District-Wide Statements***

The Statement of Net Position and the Statement of Activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State Aid, intergovernmental revenues, and other exchange and nonexchange transactions. Capital and operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, and depreciation expense for the year, are allocated to functional areas in proportion to their expenditures. 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.

***(b) Fund Financial Statements***

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

**General Fund:** This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

***Special Revenue Funds:***

**Special Aid Fund:** This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

**School Lunch Fund:** This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

**Miscellaneous Special Revenue Fund:** This fund is used to account for and report transactions of the School District's scholarship funds. The District has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

**Debt Service Fund:** This fund accounts for and reports financial resources that are restricted to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated.

**Capital Project Fund:** This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***(c) Fiduciary Funds***

This fund is used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the School District and are not available to be used. There is one class of fiduciary funds:

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

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**Custodial Funds:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups and tax collections for independent libraries within the District.

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

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from 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 School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

***Accrued Liabilities and Long-Term Obligations***

Payables, accrued liabilities and long-term obligations are reported in the District-Wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of OPEB liabilities, encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

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***Cash and Cash Equivalents***

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

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

***Property Taxes***

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 1 to October 31. The County of Onondaga subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

***Receivables***

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

***Interfund Transactions***

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

The amounts reported on the Statement of Net Position for due to and due 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 interfund transactions during the year ended June 30, 2021, is shown in Note 14 to the financial statements.

***Capital Assets***

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

The School District uses capitalization thresholds of \$1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Lives</u>	<u>Depreciation Method</u>
Land Improvements	20 Years	Straight Line
Building and Improvements	20-50 Years	Straight Line
Furniture, Equipment, and Vehicles	5-20 Years	Straight Line
Intangibles	3 Years	Straight Line

***Inventories***

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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***Deferred Outflow 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. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. In addition, this item includes the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two 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 liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

***Vested Employee Benefits – Compensated Absences***

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

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

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

***Other Benefits***

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State Employees' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 10).

**WESTHILL CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021**

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***Short-Term Debt***

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

***Unearned Revenue***

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

***Equity classifications***

***(a) District-Wide Financial Statements***

In the District-Wide statements there are three classes of Net Position:

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

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

Unrestricted Net Position – reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

***(b) Fund Statements***

The following classifications describe the relative strength of the spending constraints:

***Non-spendable***

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the School Lunch Fund.

***Restricted Resources***

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted Net Position are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements. The School District has established the following restricted fund balances:

• ***Reserve for Employee Benefit Accrued Liability***

The purpose of this account is to reserve funds for the payment of any accrued employee benefit due an employee upon termination 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. The reserve is accounted for in the General Fund.

• ***Reserve for Employees' Retirement Contribution***

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

**WESTHILL CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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- ***Reserve for Tax Certiorari***

This reserve is used to accumulate funds to pay judgments and claims resulting from tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. If no voter approval is obtained, then any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

- ***Reserve for Workers' Compensation***

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General Fund.

- ***Unemployment Insurance Reserve***

Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. The reserve is accounted for in the General Fund.

- ***Capital Reserves***

The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of Education Law. This reserve is accounted for in the General Fund.

On October 8, 2015, the voters authorized a new \$650,000 capital reserve with 12-year probable term for the eventual replacement of the turf field.

- ***Debt Service***

This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

- ***Reserve for Endowments and Scholarships***

This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

***Unrestricted Resources***

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless School District has provided otherwise in its commitment or assignment actions.

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



- **Assigned** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than capital fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- **Unassigned** – Includes all other fund Net Position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

GASB Statement No. 84 – Fiduciary Activities was implemented effective July 1, 2020. The District previously accounted for payroll withholdings and related items, and other items in a Trust and Agency Fund. These items are now required to be reported in the governmental funds. In addition, certain scholarships were accounted for in an Expendable Trust Fund, are now reported in a Miscellaneous Special Revenue fund. Due to the District’s administrative involvement over these fund, the new standard requires these funds to also be accounted for in the governmental funds. The District also uses the Custodial Fund to account for the Extraclassroom Activities and property taxes collected for independent libraries within the District’s area subject to real property taxes.

• GASB Statement No. 87 – Leases Effective for the year ended June 30, 2022

## 2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

***Total Fund Balances of Governmental Funds Compared to Net Position of Governmental Activities***

***Statement of Revenues, Expenditures, and Changes in Fund Balance Compared to Statement of Activities***

**(a) Long-Term Revenue Differences**

**(b) Capital Related Differences**

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**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

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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.

**(c) 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.

**(d) 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.

**(e) 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.

**(f) Employee Benefit Allocation**

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenue, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.

**3. STEWARDSHIP AND COMPLIANCE**

***General Fund – Statutory Unassigned Fund Balance Limit***

The School District's unreserved, undesignated fund balance was over the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming school year. At June 30, 2021, the School District's unreserved, unassigned fund balance was 8.6% of the 2021-2022 budget.

***Budgetary Procedures and Budgetary Accounting***

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

**Change from Adopted Budget to Revised Budget**

Adopted Budget	\$ 40,704,000
Add: Prior Year's Encumbrances	<u>131,180</u>
Original Budget	<u>40,835,180</u>
 Add: Donation - Chromebooks from Westhill Education Foundation	 30,000
Appropriation - Unemployment Reserve	<u>67,876</u>
	<u>97,876</u>
Final Budget	<u>\$ 40,933,056</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

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***Encumbrances***

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

***NYS Real Property Tax Cap***

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments (including school districts) can levy. The tax levy for the 2020-2021 school year was within the NYS Tax Cap Limit. The excess, including interest earned, must be deducted from the prior year levy to begin the calculation of the coming year's tax levy limit.

**4. PARTICIPATION IN BOCES**

During the year ended June 30, 2021, the District was billed \$3,507,888 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,377,463. Financial statements for the BOCES are available from the BOCES administrative office.

During the year ended June 30, 2021, the School District issued no debt on behalf of BOCES. However, in prior years', the BOCES issued \$17,505,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. The bonds have scheduled principal payments and the outstanding balance at June 30, 2021, was \$16,845,000.

**5. CUSTODIAL AND CONCENTRATION OF CREDIT RISK**

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

As of June 30, 2021, the School District's total bank balances of \$12,156,838 were entirely collateralized or insured by the Federal Insurance Deposit Corporation. Of this amount, \$1,000,000 of the deposits were covered by FDIC and \$11,156,838 of the deposits were collateralized with securities held by the pledging financial institution or in its trust department or an agent in the School District's name.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

As of June 30, 2021, the School District's restricted cash consisted of the following:

	General	Debt Service	Capital	Total
Employee Benefit Accrued Liability Reserve	\$ 238,630	\$	\$	\$ 238,630
Employees' Retirement Contribution Reserve	966,958			966,958
Tax Certiorari Reserve	397,704			397,704
Unemployment Insurance Reserve	92,124			92,124
Workers' Compensation Reserve	375,000			375,000
Debt Service		1,535,382		1,535,382
Capital Project	650,000		7,495,318	8,145,318
<b>Total Restricted</b>	<b>\$2,720,416</b>	<b>\$1,535,382</b>	<b>\$7,495,318</b>	<b>\$11,751,116</b>

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,323,944	\$	\$	\$ 1,323,944
Construction in Progress	676,940	1,809,183		2,486,123
Total	2,000,884	1,809,183		3,810,067
<b>Capital Assets Being Depreciated</b>				
Land Improvements	7,080,336			7,080,336
Buildings and Improvements	85,377,477	123,693		85,501,170
Furniture, Equipment and Vehicles	6,971,015	450,907	321,739	7,100,183
Intangibles	138,518			138,518
Total	99,567,346	574,600	321,739	99,820,207
<b>Accumulated Depreciation</b>				
Land Improvements	2,844,197	283,196		3,127,393
Buildings and Improvements	24,928,116	1,575,805		26,503,921
Furniture, Equipment and Vehicles	4,894,124	485,049	321,312	5,057,861
Intangibles	138,518			138,518
Total	32,804,955	2,344,050	321,312	34,827,693
<b>Net Capital Assets Being Depreciated</b>	<b>66,762,391</b>	<b>(1,769,450)</b>	<b>427</b>	<b>64,992,514</b>
<b>Net Capital Assets</b>	<b>\$ 68,763,275</b>	<b>\$ 39,733</b>	<b>\$ 427</b>	<b>\$ 68,802,581</b>

Depreciation expense was allocated to governmental functions as follows:

<u>Function/Program</u>	
General Support	\$ 234,405
Instruction	1,758,038
Pupil Transportation	234,405
School Lunch	117,202
Total Depreciation	<u>\$ 2,344,050</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**7. SHORT-TERM NOTES PAYABLE**

The School District had Bond Anticipation Note (BAN) activity for the year ended June 30, 2021, as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding Ending Balance</u>
Governmental Activities				
Reconstruction and Renovation	\$ <u>0</u>	\$ <u>9,050,000</u>	\$ <u>100,000</u>	\$ <u>8,950,000</u>

Total interest for the year was as follows:

Interest Paid	\$ <u>26,997</u>
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**8. NONCURRENT LIABILITIES**

Noncurrent liability balances and activity are as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable	\$ 32,332,642	\$ 449,892	\$ (2,987,642)	\$ 29,794,892	\$ 3,139,892
Unamortized Premium	<u>5,031,078</u>		<u>(407,154)</u>	<u>4,623,924</u>	<u>407,154</u>
	37,363,720	449,892	(3,394,796)	34,418,816	3,547,046
OPEB Liability	73,816,703	22,817,678	(1,838,784)	94,795,597	
Compensated Absences	<u>331,016</u>		<u>(49,112)</u>	<u>281,904</u>	<u>59,838</u>
Total Governmental Activities	\$ <u>111,511,439</u>	\$ <u>23,267,570</u>	\$ <u>(5,282,692)</u>	\$ <u>129,496,317</u>	\$ <u>3,606,884</u>

Serial Bonds – The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Total interest for the year was as follows:

Interest Paid - Serial Bonds	\$ 1,686,012
Amortized Deferred Charge on Advance Refunding	18,992
Amortized Premiums on Bonds	(407,154)
Less: Interest Accrued in the Prior Year	(30,175)
Plus: Interest Accrued in the Current Year	<u>69,710</u>
Total Interest Expense on Long-Term Debt	\$ <u>1,337,385</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

The following is a statement of serial bonds outstanding:

Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Refunding 2009	08/16	\$ 2,250,000	03/24	2.00-4.00	\$ 1,155,000
School Improvements	06/13	\$24,385,000	06/32	2.00-3.50	14,255,000
Bus Bond 2017	11/16	\$ 351,468	10/22	0.75-2.50	75,000
Bus Bond 2018	11/17	\$ 433,558	10/22	1.75-2.125	180,000
Bus Bond 2019	10/18	\$ 435,142	10/23	3.00	270,000
Bus Bond 2020	01/20	\$ 497,642	10/24	1.60-1.75	405,000
Bus Bond 2021	12/20	\$ 449,892	10/25	1.125-1.20	449,892
2020 DASNY Bond	06/20	\$13,730,000	06/34	5.00	13,005,000
					<u>\$ 29,794,892</u>

Principal and interest payments due on long term debt are as follows:

For the Year Ending	Serial Bonds		
June 30,	Principal	Interest	Total
2022	\$ 3,139,892	\$ 1,365,525	\$ 4,505,417
2023	3,205,000	1,231,689	4,436,689
2024	3,250,000	1,087,370	4,337,370
2025	2,890,000	938,680	3,828,680
2026	2,930,000	801,901	3,731,901
2027-2031	10,220,000	2,250,544	12,470,544
2032-2034	<u>4,160,000</u>	<u>346,450</u>	<u>4,506,450</u>
Total	<u>\$ 29,794,892</u>	<u>\$ 8,022,159</u>	<u>\$ 37,817,051</u>

***Prior-Year Defeasance of Debt***

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2021, \$1,195,000 of bonds outstanding are considered defeased.

***Special Provisions Affecting Remedies Upon Default***

In the event of default in the payment of principal of and/or interest of the bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State Aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the bonds.



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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***Unamortized Premium***

The original issue premiums on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 8 to 19 years, the remaining time to maturity of the respective bond issue. The current year amortization is \$210,880 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Refunding of Debt	\$ 6,635,299
Less: Amount Recognized	<u>(1,604,221)</u>
Unamortized Premium	<u>\$ 5,031,078</u>

***Deferred Outflows of Resources***

The cost of issuing the serial bonds has been capitalized and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using the straight-line method over 5 years, the remaining time to maturity of the bonds. The current year amortization is \$18,992 and is included as an addition to interest expense on the statement of activities.

Deferred Charge from Refunding of Debt	\$ 279,705
Less: Accumulated Amortization	<u>(222,730)</u>
Net Capitalized Refunding of Debt Costs	<u>\$ 56,975</u>

***Compensated Absences***

Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

**9. PENSION PLANS**

**A. New York State and Local Employees' Retirement System (ERS)**

***(a) Plan Description***

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee 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. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

***(b) Contributions***

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2021, were paid.



**WESTHILL CENTRAL SCHOOL DISTRICT**  
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The required contributions for the current year and two preceding years were:

	Amount
2019	\$ 487,980
2020	\$ 458,563
2021	\$ 491,038

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

At June 30, 2021, the School District reported a liability of \$9,395 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 and 2020, the School District's proportion was .0094354% and 0.099638% respectively.

For the year ended June 30, 2021, the School District recognized pension expense of \$284,594. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

\$137,003 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2021.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,741	\$
Change of assumptions	1,727,475	32,581
Net difference between projected and actual earnings on Pensions plan investments		2,698,856
Changes in proportion and differences between contributions and proportionate share of contributions	180,778	56,495
Contributions subsequent to the measurement date	137,003	
Total	<u>\$ 2,159,997</u>	<u>\$ 2,787,932</u>

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 Ended June 30,	Amount
2022	\$ (106,778)
2023	\$ (18,877)
2024	\$ (128,058)
2025	\$ (511,225)
2026	\$ 0
Thereafter	\$ 0

**(d) Actuarial Assumptions**

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
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Significant actuarial assumptions used in the April 1, 2020 valuation are as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of Living Adjustments	1.40%
Salary scale	4.40%
Inflation rate	2.70%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

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.

The long term expected 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 the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32%	4.05%
International equity	15%	6.30%
Private equity	10%	6.75%
Real estate	9%	4.95%
Opportunistic/ARS portfolio	3%	4.50%
Real assets	4%	3.63%
Bonds and mortgages	3%	5.95%
Cash	23%	0.00%
Inflation-indexed bonds	1%	0.50%
	100%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

**(e) Discount Rate**

The discount rate used to calculate the total pension asset/liability was 5.9%. 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 System's 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.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Proportionate share of the Net Pension liability (assets)	\$ 2,607,745	\$ 9,395	\$ (2,386,891)

**(g) Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to ERS in amount of \$137,003 at June 30, 2021. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2021-2022 billing cycle and has been accrued as an expenditure in the current year.

**B. New York State Teachers' Retirement System (TRS)**

**(a) Plan Description**

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at [www.nystrs.org](http://www.nystrs.org).

**(b) Contributions**

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The required employer contributions for the current year and two preceding years were:

	<u>Amount</u>
2019	\$ 1,385,559
2020	\$ 1,346,551
2021	\$ 1,189,042

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

At June 30, 2021, the School District reported a net liability of \$2,184,862 for its proportionate share of the net pension liability(asset). The Net Pension Asset was measured as of June 30, 2020, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020 and 2019, the School District's proportion was 0.079068% and 0.075963% respectively.

For the year ended June 30, 2021, the School District recognized a pension expense of \$2,947,980. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,914,376	\$ 111,970
Changes of assumptions	2,763,342	984,987
Net difference between projected and actual earnings on Pensions plan investments	1,426,906	
Changes in proportion	90,421	192,297
Contributions subsequent to the measurement date	<u>1,329,162</u>	
Total	<u>\$ 7,524,207</u>	<u>\$ 1,289,254</u>

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ 857,511
2022	\$ 1,724,519
2023	\$ 1,399,950
2024	\$ 845,532
2025	\$ 5,667
Thereafter	\$ 72,612

**WESTHILL CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**(d) Actuarial Assumptions**

The total pension liability at June 30, 2020 measurement date was determined by using an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the June 30, 2019 valuation were as follows:

Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.
Salary scale	Rates of increase differ based on age and gender. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%
Projected COLAs	1.30% compounded annually.
Inflation rate	2.20%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2009 and June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	33.0%	7.1%
International equity	16.0%	7.7%
Global equity	4.0%	7.4%
Real estate equity	11.0%	6.8%
Private equity	8.0%	10.4%
Domestic fixed income	16.0%	1.8%
Global bonds	2.0%	1.0%
Private Debt	1.0%	5.2%
Real Estate Debt	7.0%	3.6%
High-yield fixed income securities	1.0%	3.9%
Cash Equivalents	<u>1.0%</u>	0.7%
	<u>100.0%</u>	

\* Real rates of return are net of the long-term inflation assumption of 2.2% for 2019.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(e) Discount Rate**

The discount rate used to calculate the total pension asset/liability at June 30, 2020 was 7.1%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

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

	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
Proportionate share of the Net Pension liability (assets)	\$ 13,801,019	\$ 2,184,862	\$ (7,654,038)

**(g) Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to TRS in amount of \$1,329,162 in the General Fund, net of the employees portion at June 30, 2021. This amount represents employer contributions for the 2020-2021 fiscal year that will be made in 2021-2022 and has been accrued as an expenditure in the current year.

**10. POSTEMPLOYMENT HEALTH CARE BENEFITS**

**(a) Plan Description**

The School District administers the Westhill Retiree Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The plans are single-employer defined benefit OPEB plans administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board.

The Plan does not issue a standalone publicly available financial report since no assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements as follows:

- Administrators - Employees are eligible when they are at least 55 years old and have at least 10 years of service with the District. Eligible retirees contribute between 0% to 25% depending on the years of service on the date of retirement.
- Teachers - Employees hired prior to March 21, 2011 are eligible when they are at least 55 years old and have at least 5 years of service. Employees hired after to March 21, 2011 are eligible when they are at least 55 years old and have at least 10 years of service. Eligible employees earn 5% per year of service with the District. They may earn up to a maximum of 85%. Eligible retirees contribute between 15% to 100% depending on the years of service on the date of retirement.

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- Non-instructional - Employees must have worked full-time with the District for 17 years. Depending on the number of years of service the District will contribute 50% to 85% and 35% to 75% for the employees' spouse.
- Transportation - Employees must be 55 and have worked full-time with the District for 15 years. Depending on the number of years of service the District will contribute a flat rate from \$1,125 to \$1,300 for individual coverage and from \$1,950 to \$2,300 for family. For retirees with over 30 years of service with the District, the District will pay 85% of the premium.

**(b) Benefits Provided**

The School District provides medical and prescription drug benefits to its eligible retirees. Dental, vision, and life insurance benefits are available with select classes of employees. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements. The Plans can be amended by action of the School District through agreements with the bargaining units.

**(c) Employees Covered by Benefit Terms**

**(d)**

	Total
Inactive employees currently receiving benefit payments	184
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	320
Total	504

**(d) Total OPEB Liability**

The District's total OPEB liability of \$94,795,597 was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

**(e) Changes in the Net OPEB Liability**

Changes in the District's total OPEB liability were as follows:

	Total OPEB Liability
Balances, June 30, 2020	\$ 73,816,703
Changes recognized for the year:	
Service cost	2,272,970
Interest on Total OPEB Liability	2,630,960
Changes in benefit terms	(38,162)
Differences between expected and actual experience	1,719,119
Change in assumptions and other inputs	16,232,791
Benefit payments	(1,838,784)
Net changes	20,978,894
Balances, June 30, 2021	\$ 94,795,597



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**(h) Sensitivity of the total OPEB liability to changes in the discount rate**

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

	1% Decrease 1.21%	Current Assumption 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 113,513,261	\$ 94,795,597	\$ 79,960,713

**(i) 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 (8.00 declining to 3.94 percent) or 1 percentage point higher (9.00 percent declining to 4.94 percent) than the current healthcare cost trend rate:

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	\$ 61,230,442	\$ 94,795,597	\$ 116,597,456

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

**(j) 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 \$4,876,552. 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	\$ 1,449,242	\$ 4,496,325
Changes of assumptions	14,938,788	4,892,491
Contributions subsequent to the measurement date	1,897,454	
Total	<u>\$ 18,285,484</u>	<u>\$ 9,388,816</u>

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Amount
2022	\$ 10,784
2023	\$ 10,784
2024	\$ 917,254
2025	\$ 2,251,324
2026 and Thereafter	\$ 3,809,068



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**(f) Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to July 1, 2021 the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

**Actuarial Assumptions**

Valuation Date	July 1, 2020
Measurement Date	July 1, 2020
Reporting Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Healthcare Cost Trend Rates	8.00 to 3.94%
Discount Rate	2.21%
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020
Mortality - Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020

**Changes to Assumptions and Other Inputs**

Changed the discount rate from 3.50% to 2.21%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

Updated the mortality tables to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2020.

The Getzen trend table was updated for 2021 using model v2020\_b.

**Cash Flows** – The cash flows into and out of the Plan are expected to be consistent with the above assumptions and Plan descriptions of participant contributions.

**11. RISK MANAGEMENT**

***General Information***

The School District is exposed to various risks of loss related to tax certioraris, torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. Except for tax certiorari, 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. Sufficient reserves exist to cover any unfavorable settlements of the tax certiorari. The School District continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance.

***Workers' Compensation Pool***

Westhill Central School District participates with 24 other school districts in the Onondaga-Cortland-Madison Workers' Compensation Consortium. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plan after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured

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events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Westhill Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the current year, the School District paid \$250,786 in net fees.

**12. FUND BALANCE**

(a) The following is a summary of the change in General fund restricted reserve funds during the year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Restricted</b>				
General Fund				
Employee Benefit Accrued Liability	\$ 238,598	\$ 32	\$	\$ 238,630
Retirement Contribution	966,958			966,958
Tax Certiorari	397,651	53		397,704
Unemployment Insurance	160,000		67,876	92,124
Workers' Compensation	375,000			375,000
Capital Reserve	300,000	350,000		650,000
Total General Fund Restricted	<u>\$ 2,438,207</u>	<u>\$ 350,085</u>	<u>\$ 67,876</u>	<u>\$ 2,720,416</u>

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2021:

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Nonspendable</b>	\$ 1,062,006	\$ 8,742	\$	\$	\$	\$	\$ 1,070,748
<b>Restricted</b>							
Employee Benefit Accrued Liability Reserve	238,630						238,630
Employees' Retirement Contribution Reserve	966,958						966,958
Tax Certiorari Reserve	397,704						397,704
Unemployment Insurance Reserve	92,124						92,124
Workers' Compensation Reserve	375,000						375,000
Debt Service					1,604,852		1,604,852
Capital Reserve	650,000						650,000
Scholarships				19,970			19,970
<b>Total Restricted</b>	<u>2,720,416</u>			<u>19,970</u>	<u>1,604,852</u>		<u>4,345,238</u>
<b>Assigned</b>							
General Support	92,941						92,941
Instruction	89,876						89,876
School Lunch		166,933					166,933
Appropriated for Subsequent Year's Budget	2,329,000						2,329,000
<b>Total Assigned</b>	<u>2,511,817</u>	<u>166,933</u>					<u>2,678,750</u>
<b>Unassigned</b>	<u>3,581,375</u>		(270,932)			(1,308,224)	<u>2,002,219</u>
<b>Total Fund Equity</b>	<u>\$ 9,875,614</u>	<u>\$ 175,675</u>	<u>\$ (270,932)</u>	<u>\$ 19,970</u>	<u>\$ 1,604,852</u>	<u>\$ (1,308,224)</u>	<u>\$ 10,096,955</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**13. CONTINGENCIES AND COMMITMENTS**

***Potential Grantor Liability***

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

***Litigation***

The School District is a defendant in tax certiorari cases in which the plaintiffs seek a reduction in assessment and refund on real property taxes paid. The potential loss at June 30, 2021 ranged from \$1,532,907 to \$1,000,000. Since the amount is not considered probable, no amount has been recorded as a payable.

***Encumbrances***

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2021, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance. Significant encumbrances included in governmental fund balances are as follows:

Encumbrances	General
General Support	\$ 92,942
Instruction	89,875
Total Encumbrances	<u>\$ 182,817</u>

**14. INTERFUND TRANSACTIONS**

The following is a summary of the Interfund Transactions for the year ended June 30, 2021:

Fund Type	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 858,527	\$ 237,046	\$ 89,150	\$ 89,103
School Lunch	172	35,803	172	35,803
Special Aid	976	822,724		
Miscellaneous Special Revenue	19,970			
Debt Service	69,470		823,562	53,347
Capital Fund	215,928	69,470	88,931	823,562
Total	<u>\$ 1,165,043</u>	<u>\$ 1,165,043</u>	<u>\$ 1,001,815</u>	<u>\$ 1,001,815</u>

- The Interfund receivables and payables exist for cash flow purposes. The balances are considered current and expected to be repaid during the next fiscal year.
- The District transferred \$35,803 from the School Lunch Fund to the General Fund to reimburse prior expenditures.
- The District transferred \$88,931 from the General Fund to the Capital Fund to finance the local capital project at Westhill High School.
- The District transferred \$823,562 from the Capital Fund to the Debt Service Fund to close a capital project with remaining funds required to offset future debt service for the related debt issue. The District also transferred \$53,347 from the Debt Service Fund to the General Fund to offset related debt service payments.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

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**15. Net Position Deficit – District-Wide**

The District-wide Net Position had total net position deficit of \$29,814,809. The deficit is primarily the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which required the recognition of an unfunded liability of \$94,795,597 at June 30, 2021. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

**16. Fund Balance Deficits**

The Capital Projects Fund had a deficit fund balance of \$1,308,224. This will be funded when the District obtains permanent financing for its current construction project.

The Special Aid Fund had a deficit fund balance of \$270,932. The deficit is the result of expenditures for a Elementary and Secondary School Emergency Relief (ESSER) grant that was not approved until after June 30, 2021. The deficit will be funded when the grant funds are received in the subsequent year.

**17. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD**

The following adjustments were made to the prior year's net position and fund balance due to implementation of GASB 84, Fiduciary Activities.

- The Government-wide and Miscellaneous Special Revenue Fund's prior year's net position and fund balance were increased by \$21,225 for donated revenues for scholarships administered by the District previously accounted for in the Fiduciary Fund, Private Purpose Trust.
- The Fiduciary Custodial Fund is a new fund required by the new accounting standard. The beginning net position was increased by \$188,266. This beginning balance consisted of Extraclassroom activity funds held by the District but administered by the student clubs within the District.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
<b>Revenues</b>					
Local Sources					
Real Property Taxes	\$ 19,344,533	\$ 19,344,533	\$ 19,496,950	\$	152,417
Other Real Property Tax Items	3,028,384	3,028,384	2,875,966		(152,418)
Nonproperty Tax Items	70,000	70,000	67,827		(2,173)
Charges for Services	45,000	45,000	96,195		51,195
Use of Money and Property	133,500	133,500	13,224		(120,276)
Sale of Property and Compensation for Loss	22,000	22,000	24,753		2,753
Miscellaneous	460,000	490,000	682,508		192,508
State Aid	15,302,208	15,148,372	14,619,227		(529,145)
Federal Aid	195,000	348,836	351,061		2,225
Total Revenues	38,600,625	38,630,625	38,227,711		(402,914)
<b>Other Financing Sources</b>					
Transfers from Other Funds	76,392	76,392	89,150		12,758
Appropriated Reserve		67,876			(67,876)
Appropriated Fund Balance	2,158,163	2,158,163			(2,158,163)
Total Revenues and Other Financing Sources	\$ 40,835,180	\$ 40,933,056	38,316,861	\$	(2,616,195)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
<b>Expenditures</b>					
General Support					
Board of Education	\$ 16,879	\$ 33,229	31,549	\$	\$ 1,680
Central Administration	263,311	261,961	256,548		5,413
Finance	462,402	462,402	418,864	2,196	41,342
Staff	119,655	119,655	95,759		23,896
Central Services	2,604,680	2,592,679	2,113,334	90,745	388,600
Special Items	282,618	279,618	260,267		19,351
Total General Support	3,749,545	3,749,544	3,176,321	92,941	480,282
Instruction					
Instruction, Administration, and Improvement	1,395,014	1,406,735	1,330,574	5,905	70,256
Teaching - Regular School	10,284,865	10,455,085	9,823,711	29,982	601,392
Programs for Children With Special Needs	4,347,266	4,310,393	3,840,141	7,382	462,870
Occupational Education	242,357	242,357	242,357		
Teaching - Special School	56,785	56,785			56,785
Instructional Media	1,327,016	1,372,098	1,308,934	25,618	37,546
Pupil Services	2,050,525	2,097,378	1,825,787	20,989	250,602
Total Instruction	19,703,828	19,940,831	18,371,504	89,876	1,479,451
Pupil Transportation	2,181,293	2,181,292	1,538,724		642,568
Employee Benefits	10,309,859	10,170,734	9,629,333		541,401
Debt Service - Principal	3,017,642	3,057,642	3,087,642		(30,000)
Debt Service - Interest	1,756,013	1,716,013	1,713,009		3,004
Total Expenditures	40,718,180	40,816,056	37,516,533	182,817	3,116,706
<b>Other Financing Uses</b>					
Transfers to Other Funds	117,000	117,000	89,103		27,897
Total Expenditures and Other Financing Uses	\$ 40,835,180	\$ 40,933,056	37,605,636	\$ 182,817	\$ 3,144,603
<b>Net Change in Fund Balances</b>			711,225		
<b>Fund Balances - Beginning of Year</b>			9,164,389		
<b>Fund Balances - End of Year</b>			\$ 9,875,614		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

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

See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS**  
**For the Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Measurement Date	7/1/2020	7/1/2019	7/1/2018	7/1/2017
<b>Total OPEB Liability</b>				
Service cost	\$ 2,272,970	\$ 2,572,203	\$ 2,795,686	\$ 3,658,677
Interest on Total OPEB Liability	2,630,960	3,046,231	2,917,455	2,533,750
Change in assumptions and other inputs	16,232,791	(674,242)	2,329,444	(11,535,281)
Changes in benefit terms	(38,162)	(6,334,082)		
Differences between expected and actual experience in the measurement of the total OPEB liability	1,719,119		(8,350,320)	
Benefit payments	(1,838,784)	(1,870,373)	(1,720,061)	(1,594,439)
Net change in total OPEB Liability	<u>20,978,894</u>	<u>(3,260,263)</u>	<u>(2,027,796)</u>	<u>(6,937,293)</u>
 Total OPEB Liability - Beginning	 <u>73,816,703</u>	 <u>77,076,966</u>	 <u>79,104,762</u>	 <u>86,042,055</u>
Total OPEB Liability - Ending	<u>\$ 94,795,597</u>	<u>\$ 73,816,703</u>	<u>\$ 77,076,966</u>	<u>\$ 79,104,762</u>
 Covered payroll	 \$ 14,813,833	 \$ 14,435,385	 \$ 13,964,162	 \$ 13,439,969
 Total OPEB Liability as a percentage of covered payroll	 640%	 511%	 552%	 589%

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

**Notes to Required Supplementary Information:**

The District has net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

**Actuarial Assumptions**

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 10 to the financial statements.

**Changes to Assumptions -**

Lowered the discount rate from 3.50% to 2.21%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

Updated the mortality tables to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2020.

WESTHILL CENTRAL SCHOOL DISTRICT  
SCHEDULE OF LOCAL GOVERNMENT PENSION CONTRIBUTIONS  
For the Year Ended June 30, 2021

ERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 491,038	\$ 458,563	\$ 487,980	\$ 466,252	\$ 460,120	\$ 456,995	\$ 560,578	\$ 574,857	\$ 587,504	\$ 556,059
Contributions in Relation to the Contractually Required Contribution	491,038	458,563	487,980	466,252	460,120	456,995	560,578	574,857	587,504	556,059
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
School District's Covered-ERS Employee Payroll	\$ 3,480,906	\$ 3,287,761	\$ 3,381,731	\$ 3,233,779	\$ 3,121,255	\$ 3,119,522	\$ 3,165,499	\$ 3,107,721	\$ 3,483,226	\$ 3,423,987
Contributions as a Percentage of Covered-Employee Payroll	14.11%	13.95%	14.43%	14.42%	14.74%	14.65%	17.71%	18.50%	16.87%	16.24%

TRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 1,329,162	\$ 1,213,381	\$ 1,385,559	\$ 1,232,639	\$ 1,359,267	\$ 1,564,412	\$ 2,063,493	\$ 1,895,017	\$ 1,412,917	\$ 1,370,074
Contributions in Relation to the Contractually Required Contribution	1,329,162	1,213,381	1,385,559	1,232,639	1,359,267	1,564,412	2,063,493	1,895,017	1,412,917	1,370,074
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
School District's Covered-TRS Employee Payroll	\$ 13,947,133	\$ 13,695,045	\$ 13,046,695	\$ 12,577,949	\$ 11,597,841	\$ 11,797,979	\$ 11,771,209	\$ 11,661,643	\$ 11,933,421	\$ 12,331,899
Contributions as a Percentage of Covered-Employee Payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%	11.11%



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)**  
For the Year Ended June 30, 2021

**ERS Pension Plan**

	2021	2020	2019	2018	2017	2016	2015 *
District's proportion of the net pension asset (liability)	0.009435%	0.009638%	0.010201%	0.010078%	0.009994%	0.010129%	0.010465%
District's proportionate share of the net pension asset (liability)	\$ (9,395)	\$ (2,638,477)	\$ (722,789)	\$ (325,259)	\$ (939,030)	\$ (1,625,803)	\$ (353,524)
District's covered-employee payroll	\$ 3,480,906	\$ 3,287,761	\$ 3,381,731	\$ 3,233,779	\$ 3,121,255	\$ 3,119,522	\$ 3,165,499
District's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	-00.27%	-80.25%	-21.37%	-10.06%	-30.09%	-52.12%	-11.17%
Plan fiduciary net position as a percentage of total pension assets	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

**TRS Pension Plan**

	2020	2019	2018	2017	2016	2015	2014 *
District's proportion of the net pension asset (liability)	0.079068%	0.075963%	0.075236%	0.075583%	0.076456%	0.078299%	0.078813%
District's proportionate share of the net pension asset (liability)	\$ (2,184,862)	\$ 1,973,513	\$ 1,360,463	\$ 574,509	\$ (818,879)	\$ 8,132,801	\$ 8,779,306
District's covered-employee payroll	\$ 13,695,045	\$ 13,046,695	\$ 12,577,949	\$ 11,597,841	\$ 11,797,979	\$ 11,771,209	\$ 11,661,643
District's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	-15.95%	15.13%	10.82%	4.95%	-6.94%	69.09%	75.28%
Plan fiduciary net position as a percentage of total pension assets	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

\* Information is presented only for the years available.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET**  
**AND REAL PROPERTY TAX LIMIT**  
**For the Year Ended June 30, 2021**

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**Change from Adopted Budget to Revised Budget**

Adopted Budget	\$ 40,704,000
Add: Prior Year's Encumbrances	<u>131,180</u>
Original Budget	<u>40,835,180</u>
Add: Donation - Chromebooks from Westhill Education Foundation	30,000
Appropriation - Unemployment Reserve	<u>67,876</u>
	<u>97,876</u>
Final Budget	<u>\$ 40,933,056</u>

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**Section 1318 of Real Property Tax Law Limit Calculation**

2021-22 Voter-Approved Expenditure Budget	\$ 41,671,857
<b>Maximum Allowed (4% of 2021-22 budget)</b>	<b><u>\$ 1,666,874</u></b>
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law :	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 2,511,817
Unassigned Fund Balance	<u>3,581,375</u>
Total Unrestricted Fund Balance	<u>6,093,192</u>
Less:	
Appropriated Fund Balance	2,329,000
Encumbrances included in committed and assigned fund balance	<u>182,817</u>
Total adjustments	<u>2,511,817</u>
<b>General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law</b>	<b><u>\$ 3,581,375</u></b>
<b>Actual percentage</b>	<b>8.6%</b>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2021**

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures		Unexpended Balance	Methods of Financing			Transfer to Debt Service	Fund Balance (Deficit) June 30, 2021
			Prior Years	Current Year		Proceeds of Obligations	Local Sources	Total		
<b>Buses</b>										
Buses 2019-2020	\$ 507,000	\$ 507,000	\$ 497,642	\$	\$ 9,358	\$ 497,642	\$	\$ 497,642	\$	\$
Buses 2020-2021	510,000	510,000		449,892	60,108	449,892		449,892		
<b>Local Projects</b>										
2019-20	100,000	100,000	90,575		9,425		90,575	90,575		
2020-21	100,000	104,000		88,931	15,069		88,931	88,931		
<b>Smart Schools Bond Act</b>										(472,617)
	1,076,116	1,076,116	1,721	470,896	603,499					
<b>2010 Phase II Capital Project</b>										
Walberta Park School	18,700,000	18,700,000	17,876,438		823,562	13,730,000	4,970,000	18,700,000	823,562	
Cherry Road School	247,828	247,828	247,828		(247,828)		247,828	247,828		
<b>2019 Capital Project</b>										(835,607)
	20,183,700	20,183,700	675,315	1,313,727	18,194,658		1,153,435	1,153,435		
<b>Totals</b>	<u>\$ 41,424,644</u>	<u>\$ 41,428,644</u>	<u>\$ 19,389,519</u>	<u>\$ 2,323,446</u>	<u>\$ 19,467,851</u>	<u>\$ 14,677,534</u>	<u>\$ 6,550,769</u>	<u>\$ 21,228,303</u>	<u>\$ 823,562</u>	<u>\$ (1,308,224)</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NET INVESTMENT IN CAPITAL ASSETS**  
**For the Year Ended June 30, 2021**

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Capital Assets, Net	\$ 68,802,581
Deduct:	
Short-Term - Bond Anticipation Note	8,950,000
Less Unspent Debt Proceeds	(7,425,848)
Long-Term - Serial Bonds Payable	29,794,892
Premium on Bonds Payable	<u>4,623,924</u>
	<u>35,942,968</u>
Net Investment in Capital Assets	<u>\$ 32,859,613</u>

See Independent Auditor's Report.

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300  
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## **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**

Board of Education  
Westhill Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westhill 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 School District's basic financial statements, and have issued our report thereon dated September 22, 2021.

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

In planning and performing our audit of the financial statements, we considered Westhill 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 Westhill Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Westhill 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

D'Arcangelo & Co., LLP

September 22, 2021

Rome, New York

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300  
315-336-9220 Fax: 315-336-0836

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education  
Westhill Central School District, New York

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*D'Arcangelo + Co., LLP*

September 22, 2021

Rome, New York



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Current Year Expenditures	Subrecipient
<b><u>U.S. Department of Agriculture</u></b>				
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 420701060000)				
Nutrition Cluster				
National School Lunch Program (Noncash)	10.555	N/A	\$ 8,257	\$
Summer Food Service Program	10.559	N/A	285,553	
Total Cash Assistance			285,553	
Total Nutrition Cluster			293,810	
Total U.S. Department of Agriculture			293,810	
<b><u>U.S. Department of Education</u></b>				
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 420701060000)				
Title I Grants to Local Educational Agencies	84.010	0016-20-2115	100,987	
Title I Grants to Local Educational Agencies	84.010	0016-21-2115	30,092	
Title I Grants to Local Educational Agencies	84.010	0021-21-2115	144,599	
Total			275,678	
Special Education Cluster				
Special Education - Grants to States	84.027	0032-21-0645	396,701	
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-21-0645	9,208	
Total Special Education Cluster			405,909	
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act				
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5890-21-2115	106,458	
Governor's Emergency Education Relief Fund (GEER)	84.425C	5895-21-2115	18,925	
Total			125,383	
Improving Teacher Quality State Grants	84.367	0147-21-2115	8,819	
Total			8,819	
Total U.S. Department of Education			815,789	
<b><u>Total Federal Financial Assistance</u></b>			<b>\$ 1,109,599</b>	<b>\$</b>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Westhill Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

***Basis of Accounting***

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

***Food Donation***

Non-monetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2021, the School District had food commodities totaling \$3,048 in inventory.

***Cluster Programs***

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

**U.S. Department of Agriculture**

**Nutrition Cluster**

CFDA #10.553	School Breakfast Program
CFDA #10.555	National School Lunch Program

**U.S. Department of Education**

**Special Education Cluster**

CFDA #84.027	Special Education - Grants to States (IDEA, Part B)
CFDA #84.173	Special Education - Preschool Grants (IDEA Preschool)

***Indirect Cost Rate***

The School District has not elected to use the 10% de minimis indirect cost rate.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS**  
**For the Year Ended June 30, 2021**

***Summary of Auditor's Results***

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	<u>U.S. Department of Agriculture</u> Nutrition Cluster: CFDA #10.559 Summer School Program CFDA #10.555 National School Lunch Program
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

(Continued)

**WESTHILL CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS  
For the Year Ended June 30, 2021**

**(Continued)**

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***Findings – Financial Statement Audit***

No findings noted in the current year.

***Findings and Questioned Costs – Major Federal Award Program Audit***

No findings noted in the current year.

**WESTHILL CENTRAL SCHOOL DISTRICT  
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS  
For the Year Ended June 30, 2021**

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***Findings – Financial Statement Audit***

No findings were noted in the prior year.

***Findings and Questioned Costs – Major Federal Award Program Audit***

No findings were noted in the prior year.



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### **CERTIFICATION OF DISTRICT CLERK**

I, Annette Iamondo, District Clerk of the **Westhill Central School District**, hereby certify that  
the following resolution:

16. D'Arcangelo & Co., LLP - 2020-21 Independent Audit

“Be it resolved, upon the recommendation of the Superintendent, the 2020-21 Independent  
Audit Report as presented and provided by D'Arcangelo & Co., LLP be accepted and  
approved.”

was adopted by the required majority (5 yes, 0 no) of the Board of Education at its regular  
meeting held on September 27, 2021.

  
Annette Iamondo, District Clerk

September 30, 2021