

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK

AUDIT REPORT FOR THE YEAR ENDED
JUNE 30, 2020
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASROOM ACTIVITY FUNDS

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
JUNE 30, 2020
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Goshen Central School District
Goshen, New York

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Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Goshen Central School District

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 fiduciary fund of the Goshen Central School District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 16 and 73 through 77 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 Goshen Central School District's basic financial statements. The supplemental schedules on pages 78 through 80 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental schedules on pages 78 through 80 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

Goshen Central School District

United States of America. In our opinion, the supplemental schedules on pages 78 through 80 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, 2020, on our consideration of the Goshen 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 effectiveness of the Goshen Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Goshen Central School District's internal control over financial reporting and compliance.

Montgomery, New York
September 22, 2020

GOSHEN CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

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

Financial Highlights

Key financial highlights for the year ended June 30, 2020 are as follows:

- Net position decreased \$9,870,218. The most significant factor that contributed to this decrease was the expense related to other postemployment benefits of \$6,257,833.
- General Fund revenues exceeded the budget by \$1,496,582.
- General Fund expenditures and encumbrances were \$1,436,917 under budget.
- The District received federal funds for instructional programs and school lunch assistance of \$1,224,491 and \$405,146, respectively.

Overview of the Financial Statements

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's significant funds.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Overview of the Financial Statements (Continued)

Major Features of the District-Wide and Fund Financial Statements			
	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

GOSHEN CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

District-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District as a Whole

Beginning of the year net position decreased \$9,870,218 from (\$55,057,867) to (\$64,928,085). The District's net position at June 30, 2020 is (\$64,928,085). The following table provides a summary of the District's net position:

Summary of Net Position

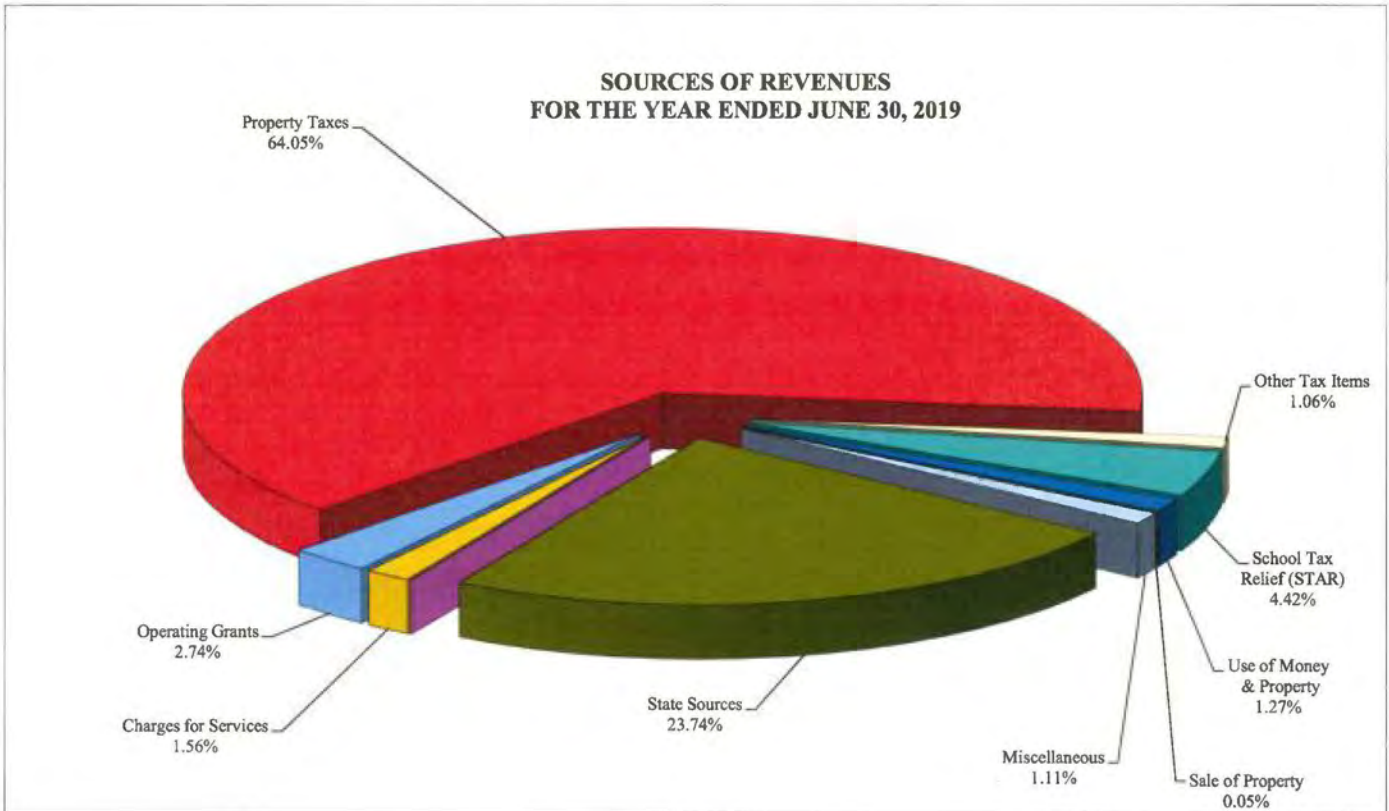
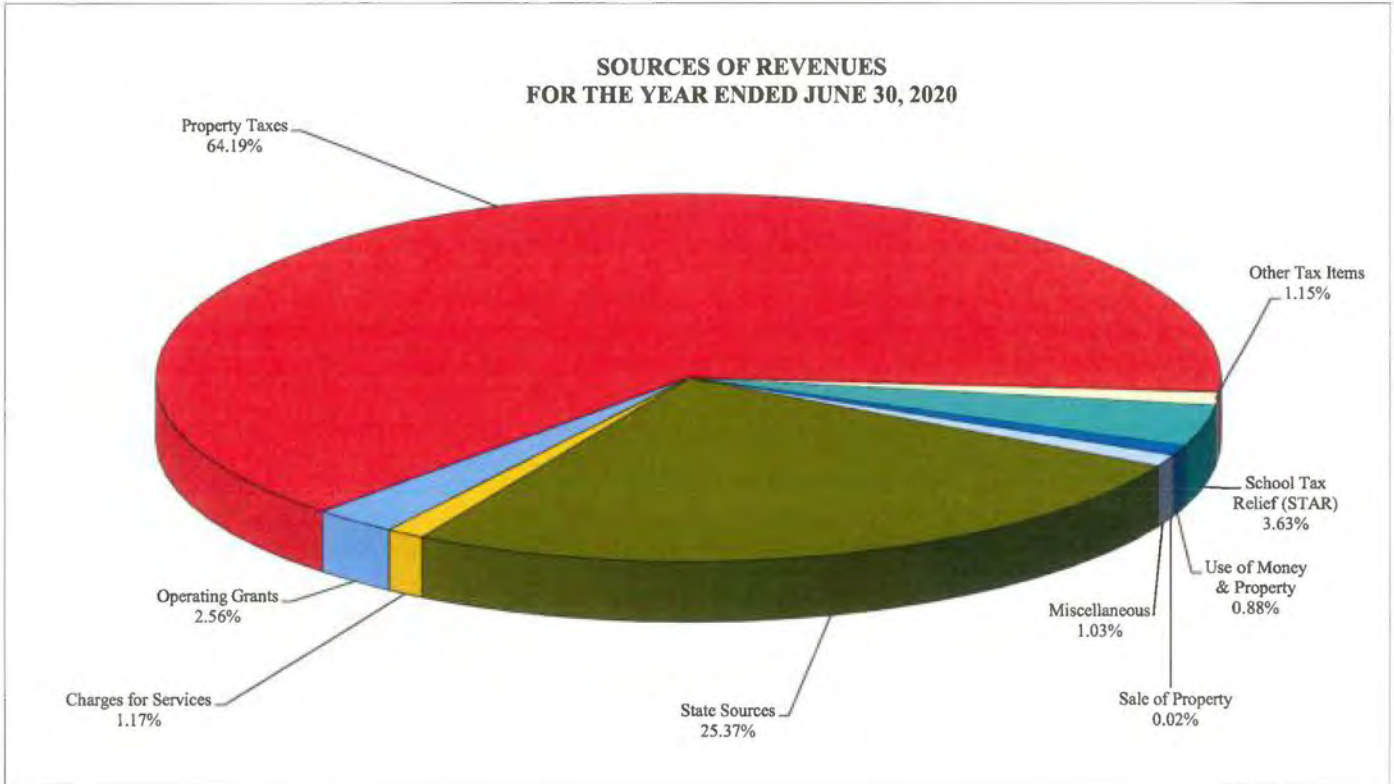
	School District Activities			
	June 30, 2020	June 30, 2019	\$ Change	% Change
Current Assets	\$ 35,822,127	\$ 67,054,490	\$ (31,232,363)	-46.58%
Non Current Assets	69,042,282	35,470,368	33,571,914	94.65%
Total Assets	<u>104,864,409</u>	<u>102,524,858</u>	<u>2,339,551</u>	<u>2.28%</u>
Deferred Outflows of Resources	<u>32,881,091</u>	<u>25,500,583</u>	<u>7,380,508</u>	<u>28.94%</u>
Current Liabilities	7,890,343	26,853,491	(18,963,148)	-70.62%
Long-Term Liabilities	174,865,885	135,525,661	39,340,224	29.03%
Total Liabilities	<u>182,756,228</u>	<u>162,379,152</u>	<u>20,377,076</u>	<u>12.55%</u>
Deferred Inflows of Resources	<u>19,917,357</u>	<u>20,704,156</u>	<u>(786,799)</u>	<u>-3.80%</u>
Net Position:				
Net Investment in Capital Assets	47,039,891	39,207,506	7,832,385	19.98%
Restricted	15,887,126	15,021,706	865,420	5.76%
Unrestricted	<u>(127,855,102)</u>	<u>(109,287,079)</u>	<u>(18,568,023)</u>	<u>-16.99%</u>
Total Net Position	<u>\$ (64,928,085)</u>	<u>\$ (55,057,867)</u>	<u>\$ (9,870,218)</u>	<u>-17.93%</u>

The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2020 and 2019:

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

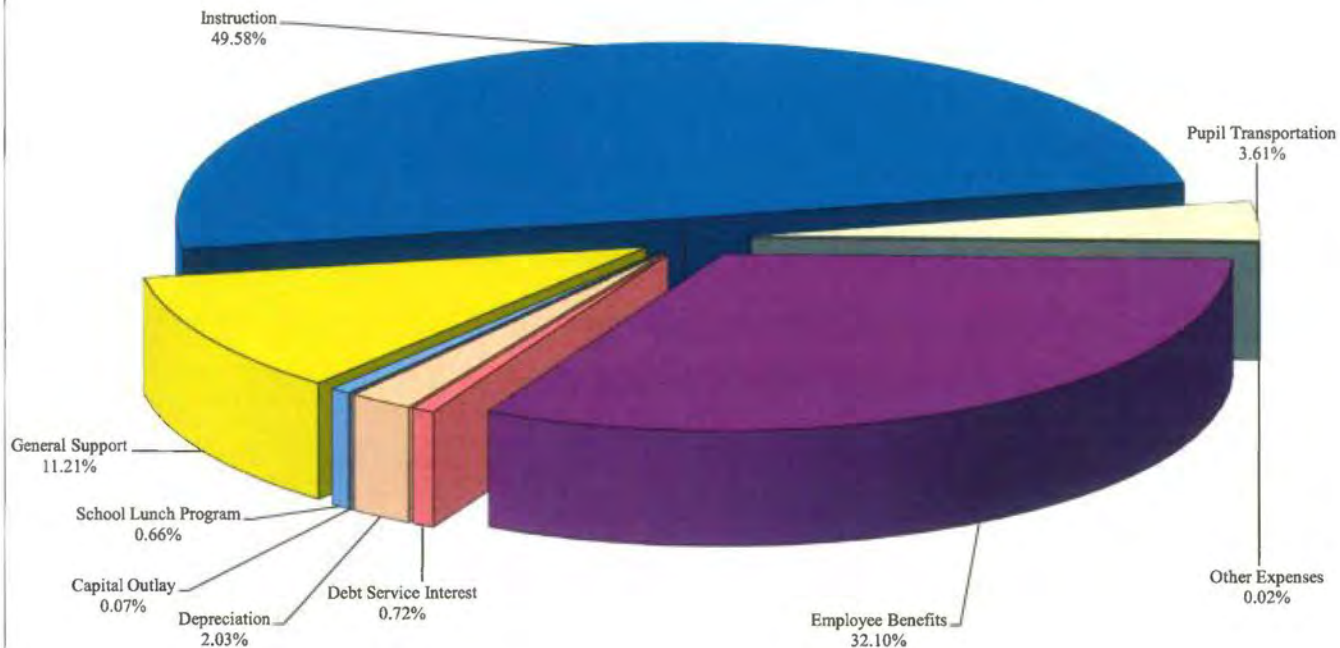
	<u>FOR THE</u> <u>YEAR ENDED</u> <u>JUNE 30, 2020</u>	<u>%</u>	<u>FOR THE</u> <u>YEAR ENDED</u> <u>JUNE 30, 2019</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 899,855	1.17%	\$ 1,152,577	1.56%	\$ (252,722)	-21.93%
Operating Grants	1,971,038	2.56%	2,026,019	2.74%	(54,981)	-2.71%
GENERAL REVENUES:						
Property Taxes	49,453,038	64.19%	47,296,063	64.05%	2,156,975	4.56%
Other Tax Items	883,427	1.15%	781,021	1.06%	102,406	13.11%
School Tax Relief (STAR)	2,794,153	3.63%	3,264,866	4.42%	(470,713)	-14.42%
Use of Money & Property	676,194	0.88%	939,550	1.27%	(263,356)	-28.03%
Sale of Property	13,965	0.02%	39,662	0.05%	(25,697)	-64.79%
Miscellaneous	793,447	1.03%	822,896	1.11%	(29,449)	-3.58%
State Sources	19,542,569	25.37%	17,534,886	23.74%	2,007,683	11.45%
TOTAL REVENUES	<u>77,027,686</u>	100.00%	<u>73,857,540</u>	100.00%	3,170,146	4.29%
<u>EXPENSES</u>						
General Support	9,740,010	11.21%	7,468,327	9.71%	2,271,683	30.42%
Instruction	43,070,936	49.58%	41,425,648	53.84%	1,645,288	3.97%
Pupil Transportation	3,141,179	3.61%	3,343,623	4.35%	(202,444)	-6.05%
Other Expenses	20,604	0.02%	22,705	0.03%	(2,101)	-9.25%
Employee Benefits	27,897,483	32.10%	21,239,975	27.61%	6,657,508	31.34%
Debt Service Interest	626,228	0.72%	943,321	1.23%	(317,093)	-33.61%
Depreciation	1,763,524	2.03%	1,625,734	2.11%	137,790	8.48%
Capital Outlay	61,591	0.07%	168,861	0.22%	(107,270)	-63.53%
School Lunch Program	576,349	0.66%	690,396	0.90%	(114,047)	-16.52%
TOTAL EXPENSES	<u>86,897,904</u>	100.00%	<u>76,928,590</u>	100.00%	9,969,314	12.96%
CHANGES IN NET POSITION	<u>\$ (9,870,218)</u>		<u>\$ (3,071,050)</u>		<u>\$ (6,799,168)</u>	-221.40%

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK

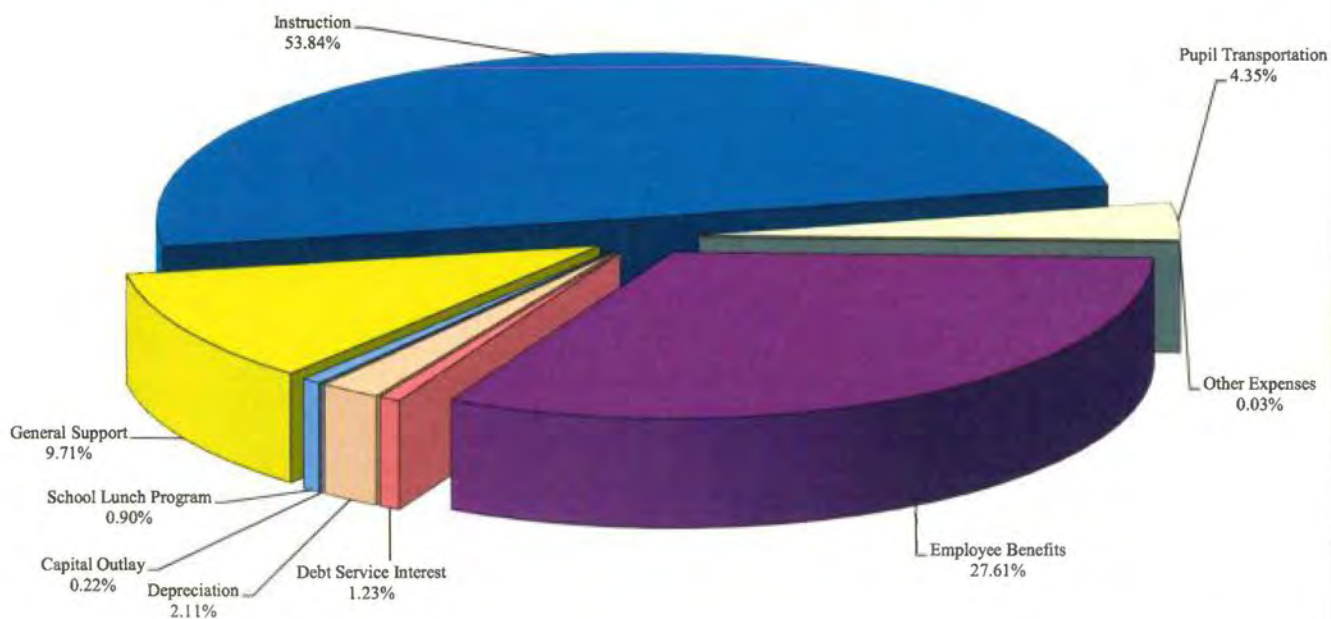


GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK

EXPENSES FOR THE YEAR ENDED JUNE 30, 2020



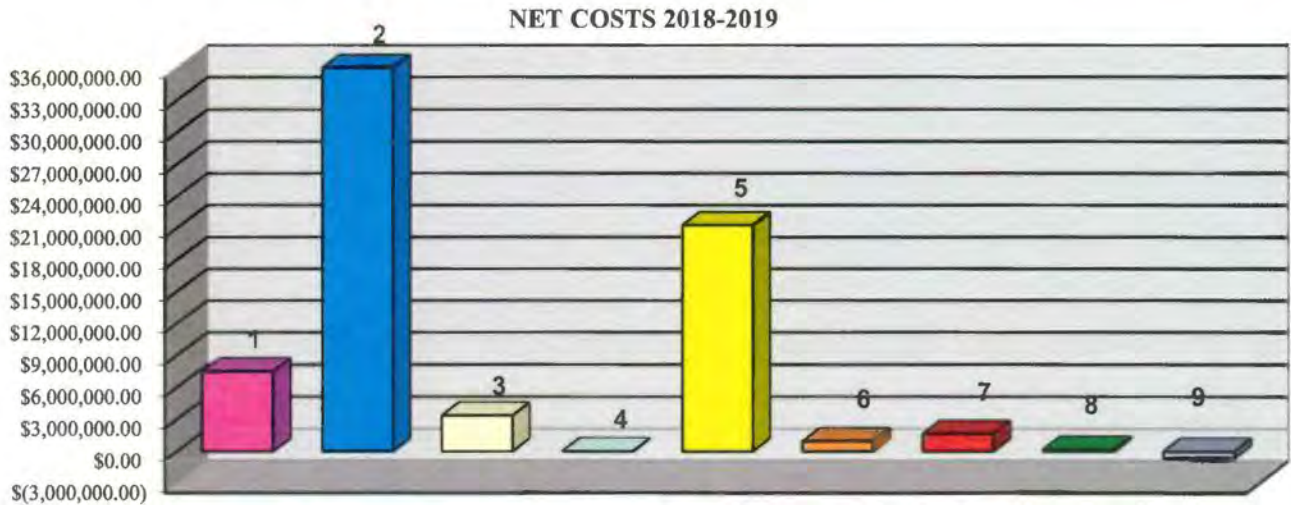
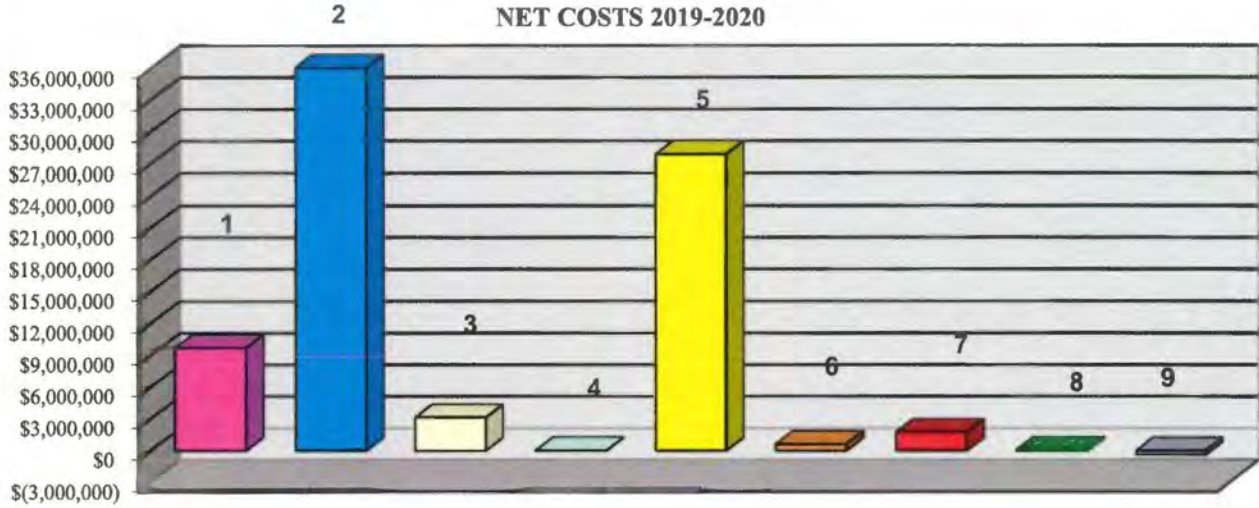
EXPENSES FOR THE YEAR ENDED JUNE 30, 2019



GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2019-2020	NET COST OF SERVICES 2019-2020	TOTAL COST OF SERVICES 2018-2019	NET COST OF SERVICES 2018-2019
General Support	1	\$ 9,740,010	\$ 9,740,010	\$ 7,468,327	\$ 7,468,327
Instruction	2	43,070,936	41,156,591	41,425,648	39,563,901
Pupil Transportation	3	3,141,179	3,141,179	3,343,623	3,343,623
Other Expenses	4	20,604	16,900	22,705	15,937
Employee Benefits	5	27,897,483	27,897,483	21,239,975	21,239,975
Debt Service - Interest	6	626,228	626,228	943,321	943,321
Depreciation	7	1,763,524	1,763,524	1,625,734	1,625,734
Capital Outlay	8	61,591	61,591	168,861	168,861
School Lunch Program	9	576,349	(376,495)	690,396	(619,685)
		<u>\$ 86,897,904</u>	<u>\$ 84,027,011</u>	<u>\$ 76,928,590</u>	<u>\$ 73,749,994</u>



GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. In accordance with the GASB 54, the total fund balances allocated between non-spendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2020				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 826,501	\$ 11,321,531	\$ 1,713,868	\$ 3,043,352	\$ 16,905,252
Special Aid	0	4,220	0	(985)	3,235
School Lunch	66,539	0	0	(66,539)	0
Capital Projects	0	0	0	(1,983,545)	(1,983,545)
Debt Service	0	191,238	0	0	191,238
	<u>\$ 893,040</u>	<u>\$ 11,516,989</u>	<u>\$ 1,713,868</u>	<u>\$ 992,283</u>	<u>\$ 15,116,180</u>

	June 30, 2019				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 836,560	\$ 11,383,005	\$ 1,996,725	\$ 2,929,991	\$ 17,146,281
Special Aid	0	60,444	0	(57,209)	3,235
School Lunch	37,740	228,587	0	0	266,327
Capital Projects	0	0	0	(14,593,175)	(14,593,175)
Debt Service	0	385,613	0	0	385,613
	<u>\$ 874,300</u>	<u>\$ 12,057,649</u>	<u>\$ 1,996,725</u>	<u>\$ (11,720,393)</u>	<u>\$ 3,208,281</u>

General Fund Budgetary Highlights

The original budget for the General Fund was revised by \$1,947,203 during the year. The supplemental appropriations consisted tax certiorari claims of \$1,905,755, donations of \$16,448 and other state aid of \$25,000.

For the year ending June 30, 2020, the District received revenues greater than budgeted amounts totaling \$1,496,582. This increase primarily consisted of a greater amount of funds received from use of money and property in the amount of \$431,386 due to an increase in interest earnings and \$656,998 more was received in the miscellaneous category primarily due to the refund of prior year expenses from BOCES.

The expenditures for the year ended June 30, 2020 were less than the adjusted budget and year end encumbrances by \$1,436,917. Costs within various budget codes were less than budgeted amounts, in particular the area of Central Services were less than budgeted by \$159,470, Pupil Transportation was less than budgeted by \$410,747, additionally, Pupil Services were less than budgeted by \$287,510.

GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

General Fund Budgetary Highlights (Continued)

The results have allowed the District to appropriate \$980,434 of year end fund balance to be used in 2020/2021 as appropriated fund balance to offset the 2020/2021 tax levy as well as add \$1,500,000 to the Capital Reserve and \$144,196 to the Retirement Contribution Reserve, \$40,634 to the Retirement Contribution Reserve – TRS Subfund, and \$150,000 to the Unemployment Reserve Fund. The District continues to have an aging infrastructure and the Capital Reserve will fund necessary improvements at minimal or no additional cost to the taxpayers. The Retirement Contribution Reserve will permit stabilization of the employer's portion over periods of market instability.

The district continues to have a multitude of pending tax certiorari filings totaling approximately \$7,583,409. With adequate reserves totaling \$3,494,129 as of June 30, 2020, the District is in a strong position to fund potential tax certiorari claims it has received prior to June 30, 2020.

Factors that continue to affect the budget process are as follows:

- COVID 19
- Tax certiorari filings and SCAR proceedings continue to occur.
- Incarcerated youth and St. Dominic enrollments and resultant expenditures.
- New York State Aid revenues have been impacted due to statewide budget constraints.
- Employee Benefits such as health insurance increases which are higher than the tax levy.
- Changes in legislation regarding school finance.
- Impending changes in educational standards.
- Energy costs.
- APPR requirements and curriculum changes.
- Collective Bargaining Agreements under negotiation
- “Tax Cap” Legislation
- Possible Federal Sequestration
- Affordable Care Act
- Library Bond Issue
- Decreases in Galleria Assessments
- New PILOTS - Legoland and Amy's Kitchen

Management believes that the budget adopted for 2020-2021 is reasonably adaptable to any adverse changes that may arise based on the above factors.

Due to a difficult economic forecast both statewide and nationally, a limited 19/20 budget, the new “Tax Cap” legislation, an existing labor contract and one which is currently being negotiated, the continued drain of tax certiorari proceedings, the effects of federal sequestration, double digit increases in health insurance, retirement system costs and the costs of implementing the Affordable Care Act, the addition to the budget of Library construction bonds, the decrease of Galleria tax assessments, the continued debt payments associated with the District's \$34.5 M capital project, and the possible addition of large new PILOTS, the District will have to monitor revenues and expenditures closely. The District may also find it difficult to keep the tax levy below the cap in future years while maintaining an applied fund balance equal to the applied fund balance in previous years.

GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

General Fund Budgetary Highlights (Continued)

Other Fund Highlights

The School Lunch Fund had expenditures, which exceed revenues by \$325,727 during the year ended June 30, 2020. This resulted in a deficit of \$59,402. As a result, the General Fund transferred \$59,402 which resulted in the fund ending the year with zero fund balance compared to last year's fund balance of \$266,327. Due to the onset of the COVID-19 pandemic, the food service fund operated at a significant deficit during the 2019-20 school year due to reduced sales as a result of children not being in school, the expectation that free meals be provided and the CSEA collectively bargained agreement that required payment for employees. While there was an accumulation of surplus funds available from prior years, the general fund funded the difference as required by regulation.

The Special Aid Fund ended the year with a fund balance of \$3,235. The revenues of this fund are expenditure driven meaning that the district receives funds based on the amount of expenditures for each grant. The District is responsible for paying 20% of the approved rate as well as the difference between the actual cost and the approved rate for expenditures of the Summer Handicap program and as such transferred \$187,256 from the General Fund budgeted amounts to the Special Aid Fund to cover these costs.

Debt Service Fund ended the year with a fund balance of \$191,238. This fund balance will be appropriated in future years to offset principal and interest payments.

GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Capital Asset and Debt Administration

Capital Assets

The district's investment in capital assets, net of accumulated depreciation for the years ended June 30, 2020 and 2019 was \$69,110,101 and \$61,229,024 respectively. The capital assets include land, buildings and equipment. The district expended \$9,659,733 for building improvements, furniture, equipment and buses during the year 2019-2020. The District retired assets with a cost of \$288,057 and accumulated depreciation of \$280,491. Depreciation expense for the year was \$1,771,090.

CAPITAL ASSETS
Net of Accumulated Depreciation

	School District Activities		<u>% Change</u>
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	
<u>Non-Depreciable Assets:</u>			
Land	\$ 67,819	\$ 67,819	0.00%
Construction in Progress	0	25,690,837	-100.00%
<u>Depreciable Assets:</u>			
Land Improvements	118,179	127,578	-7.37%
Building and Improvements	65,691,381	32,427,902	102.58%
Furniture and Equipment	724,380	574,522	26.08%
Vehicles	2,508,342	2,340,366	7.18%
TOTALS	<u>\$ 69,110,101</u>	<u>\$ 61,229,024</u>	12.87%

Long-Term Debt

At the end of the year, the District had total bonded debt outstanding of \$28,786,666. This amount is backed by the full faith and credit of the Goshen Central School District with debt service fully funded by voter approved property taxes. During the year, the District issued no serial bonds. Activity in bonded debt outstanding during the year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Serial Bond	\$ 0	\$ 20,086,666	\$ 0	\$ 20,086,666
Serial Bond - Library	8,905,000	0	205,000	8,700,000
Total Bonded Debt Outstanding	<u>\$ 8,905,000</u>	<u>\$ 20,086,666</u>	<u>\$ 205,000</u>	<u>\$ 28,786,666</u>

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of Aa2 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

GOSHEN CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Contacting the District's Financial Management

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 Ms. Louise M. Lynch, Assistant Superintendent for Business, at the District's business offices at 227 Main Street, Goshen, New York 10924.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

ASSETS

Unrestricted Cash	\$ 7,113,048
Restricted Cash	11,516,989
State & Federal Aid Receivable	2,153,272
Due from Other Governments	9,582,120
Due from Fiduciary Funds	118,937
Other Receivables, Net	6,765
Prepaid Expenditures	826,501
Inventories	66,539
TRS Net Pension Asset - Proportionate Share	4,370,137
Non Depreciable Capital Assets	67,819
Capital Assets, Net	69,042,282
	<hr/>
TOTAL ASSETS	104,864,409

DEFERRED OUTFLOWS OF RESOURCES

Pensions	18,135,923
Other Postemployment Benefits	14,745,168
	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	32,881,091

LIABILITIES

Accounts Payable	6,901
Accrued Liabilities	2,625,387
Due to Other Governments	5,283
Due to Fiduciary Funds	5,551
Due to Teachers' Retirement System	2,859,550
Due to Employees' Retirement System	353,445
Unearned Revenues	50,682
Bond Anticipation Notes	1,983,544
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	1,176,666
Compensated Absences	28,400
Due and Payable In More Than One Year:	
Bonds Payable	27,610,000
Compensated Absences	1,022,293
ERS Net Pension Liability - Proportionate Share	5,817,874
Other Postemployment Benefits	139,210,652
	<hr/>
TOTAL LIABILITIES	182,756,228

DEFERRED INFLOWS OF RESOURCES

Pensions	6,572,559
Other Postemployment Benefits	13,344,798
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	19,917,357

NET POSITION

Net Investment in Capital Assets	47,039,891
Restricted	15,887,126
Unrestricted	(127,855,102)
	<hr/>
TOTAL NET POSITION	\$ (64,928,085)

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

<u>FUNCTIONS & PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	
General Support	\$ (14,130,419)	\$ 0	\$ 0	\$ (14,130,419)
Instruction	(66,080,109)	396,919	1,517,426	(64,165,764)
Pupil Transportation	(4,709,455)	0	0	(4,709,455)
Other Expenses	(20,604)	0	3,704	(16,900)
Debt Service - Interest	(626,228)	0	0	(626,228)
Capital Outlay	(61,591)	0	0	(61,591)
School Lunch Program	(1,269,499)	502,936	449,908	(316,655)
TOTAL FUNCTIONS & PROGRAMS	<u>\$ (86,897,904)</u>	<u>\$ 899,855</u>	<u>\$ 1,971,038</u>	<u>(84,027,011)</u>
<u>GENERAL REVENUES</u>				
Real Property Taxes				49,453,038
Other Tax Items				3,677,580
Use of Money & Property				676,194
Sale of Property & Compensation for Loss				13,965
Miscellaneous				793,447
State Sources				19,542,569
TOTAL GENERAL REVENUES				<u>74,156,793</u>
CHANGE IN NET POSITION				(9,870,218)
NET POSITION, BEGINNING OF YEAR				<u>(55,057,867)</u>
NET POSITION, END OF YEAR				<u>\$ (64,928,085)</u>

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Unrestricted Cash	6,675,767	\$ 223,551	\$ 103,046	\$ 110,684	\$ 0	\$ 7,113,048
Restricted Cash	11,512,769	4,220	0	0	0	11,516,989
State & Federal Aid Receivable	1,452,195	691,194	9,883	0	0	2,153,272
Due from Other Governments	882,120	0	0	0	0	882,120
Due from Other Funds	3,627,831	216,888	59,401	1,342,623	262,611	5,509,354
Other Receivables, Net	5,701	0	1,064	0	0	6,765
Prepaid Expenditures	826,501	0	0	0	0	826,501
Inventories	0	0	66,539	0	0	66,539
TOTAL ASSETS	<u>\$ 24,982,884</u>	<u>\$ 1,135,853</u>	<u>\$ 239,933</u>	<u>\$ 1,453,307</u>	<u>\$ 262,611</u>	<u>\$ 28,074,588</u>
<u>LIABILITIES & FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ -	\$ 6,901	\$ 0	\$ 0	\$ 0	\$ 6,901
Accrued Liabilities	2,253,034	21,601	0	0	0	2,274,635
Bond Interest and Matured Bonds	0	0	0	0	0	0
Due to Other Governments	0	5,218	65	0	0	5,283
Due to Other Funds	2,583,203	1,098,898	189,186	1,453,308	71,373	5,395,968
Due to Teachers' Retirement System	2,859,550	0	0	0	0	2,859,550
Due to Employees' Retirement System	353,445	0	0	0	0	353,445
Compensated Absences Payable	28,400	0	0	0	0	28,400
Unearned Revenues	0	0	50,682	0	0	50,682
Bond Anticipation Notes	0	0	0	1,983,544	0	1,983,544
TOTAL LIABILITIES	<u>8,077,632</u>	<u>1,132,618</u>	<u>239,933</u>	<u>3,436,852</u>	<u>71,373</u>	<u>12,958,408</u>
<u>FUND BALANCES</u>						
Nonspendable	826,501	0	66,539	0	0	893,040
Restricted	11,321,531	4,220	0	0	191,238	11,516,989
Assigned	1,713,868	0	0	0	0	1,713,868
Unassigned	3,043,352	(985)	(66,539)	(1,983,545)	0	992,283
TOTAL FUND BALANCES	<u>16,905,252</u>	<u>3,235</u>	<u>0</u>	<u>(1,983,545)</u>	<u>191,238</u>	<u>15,116,180</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 24,982,884</u>	<u>\$ 1,135,853</u>	<u>\$ 239,933</u>	<u>\$ 1,453,307</u>	<u>\$ 262,611</u>	<u>\$ 28,074,588</u>

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Unrestricted Cash	\$ 7,113,048	\$ 0	\$ 0	\$ 7,113,048
Restricted Cash	11,516,989	0	0	11,516,989
State & Federal Aid Receivable	2,153,272	0	0	2,153,272
Due from Other Governments	882,120	8,700,000	0	9,582,120
Due from Other Funds	5,509,354	0	(5,509,354)	0
Due from Fiduciary Funds	0	0	118,937	118,937
Other Receivables, Net	6,765	0	0	6,765
Prepaid Expenditures	826,501	0	0	826,501
Inventories	66,539	0	0	66,539
TRS Net Pension Asset - Proportionate Share	0	4,370,137	0	4,370,137
Non Depreciable Capital Assets	0	67,819	0	67,819
Capital Assets, Net	0	69,042,282	0	69,042,282
TOTAL ASSETS	28,074,588	82,180,238	(5,390,417)	104,864,409
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	0	18,135,923	0	18,135,923
Other Post Employment Benefits	0	14,745,168	0	14,745,168
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 28,074,588	\$ 115,061,329	\$ (5,390,417)	\$ 137,745,500
LIABILITIES & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	\$ 6,901	\$ 0	\$ 0	\$ 6,901
Accrued Liabilities	2,274,635	350,752	0	2,625,387
Due to Other Governments	5,283	0	0	5,283
Due to Other Funds	5,395,968	0	(5,395,968)	0
Due to Fiduciary Funds	0	0	5,551	5,551
Due to Teachers' Retirement System	2,859,550	0	0	2,859,550
Due to Employees' Retirement System	353,445	0	0	353,445
Compensated Absences Payable	28,400	1,022,293	0	1,050,693
Unearned Revenues	50,682	0	0	50,682
Bond Anticipation Notes	1,983,544	0	0	1,983,544
Bonds Payable	0	28,786,666	0	28,786,666
ERS Net Pension Liability - Proportionate Share	0	5,817,874	0	5,817,874
Other Postemployment Benefits	0	139,210,652	0	139,210,652
TOTAL LIABILITIES	12,958,408	175,188,237	(5,390,417)	182,756,228
DEFERRED INFLOWS OF RESOURCES				
Pensions	0	6,572,559	0	6,572,559
Other Post Employment Benefits	0	13,344,798	0	13,344,798
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,958,408	195,105,594	(5,390,417)	202,673,585
FUND BALANCES / NET POSITION	15,116,180	(80,044,265)	0	(64,928,085)
TOTAL LIABILITIES & FUND BALANCES / NET POSITION	\$ 28,074,588	\$ 115,061,329	\$ (5,390,417)	\$ 137,745,500

See notes to financial statement

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Real Property Taxes	\$ 49,453,038	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,453,038
Other Tax Items	3,677,580	0	0	0	0	3,677,580
Charges for Services	396,919	0	0	0	0	396,919
Use of Money & Property	637,786	0	3,704	0	38,408	679,898
Sale of Property & Compensation for Loss	21,531	0	0	0	0	21,531
Miscellaneous	998,447	0	4,019	0	0	1,002,466
State Sources	18,199,948	286,034	44,762	1,342,621	0	19,873,365
Federal Sources	0	1,231,392	405,146	0	0	1,636,538
Sales	0	0	498,917	0	0	498,917
TOTAL REVENUES	73,385,249	1,517,426	956,548	1,342,621	38,408	77,240,252
EXPENDITURES						
General Support	9,000,494	305,701	513,933	0	0	9,820,128
Instruction	41,862,240	1,208,696	0	0	0	43,070,936
Pupil Transportation	3,141,179	0	0	0	0	3,141,179
Community Services	20,604	0	0	0	0	20,604
Employee Benefits	17,605,648	141,472	179,217	0	0	17,926,337
Debt Service:						
Principal	839,315	0	0	0	0	839,315
Interest	937,161	0	0	0	0	937,161
Cost of Sales	0	0	576,349	0	0	576,349
Capital Outlay	395,103	48,813	12,778	9,264,630	0	9,721,324
TOTAL EXPENDITURES	73,801,744	1,704,682	1,282,277	9,264,630	0	86,053,333
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(416,495)	(187,256)	(325,729)	(7,922,009)	38,408	(8,813,081)
OTHER SOURCES & USES						
Proceeds from Debt	0	0	0	20,086,666	0	20,086,666
Bond Anticipation Notes Paid from Current Appropriations	0	0	0	634,315	0	634,315
Operating Transfers In	422,125	187,256	59,402	0	13,947	682,730
Operating Transfers (Out)	(246,658)	0	0	(189,342)	(246,730)	(682,730)
TOTAL OTHER SOURCES & USES	175,467	187,256	59,402	20,531,639	(232,783)	20,720,981
NET CHANGE IN FUND BALANCE	(241,028)	0	(266,327)	12,609,630	(194,375)	11,907,900
FUND BALANCES, BEGINNING OF YEAR	17,146,280	3,235	266,327	(14,593,175)	385,613	3,208,280
FUND BALANCES, END OF YEAR	\$ 16,905,252	\$ 3,235	\$ 0	\$ (1,983,545)	\$ 191,238	\$ 15,116,180

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
<u>REVENUES</u>						
Real Property Taxes	\$ 49,453,038	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,453,038
Other Tax Items	3,677,580	0	0	0	0	3,677,580
Charges for Services	396,919	0	0	0	0	396,919
Use of Money & Property	679,898	0	0	0	0	679,898
Sale of Property & Compensation for Loss	21,531	0	(7,566)	0	0	13,965
Miscellaneous	1,002,466	(205,000)	0	0	0	797,466
State Sources	19,873,365	0	0	0	0	19,873,365
Federal Sources	1,636,538	0	0	0	0	1,636,538
Sales	498,917	0	0	0	0	498,917
TOTAL REVENUES	<u>77,240,252</u>	<u>(205,000)</u>	<u>(7,566)</u>	<u>0</u>	<u>0</u>	<u>77,027,686</u>
<u>EXPENDITURES</u>						
General Support	9,820,128	(87,684)	265,664	0	4,132,311	14,130,419
Instruction	43,070,936	0	1,505,427	0	21,503,746	66,080,109
Pupil Transportation	3,141,179	0	0	0	1,568,276	4,709,455
Community Services	20,604	0	0	0	0	20,604
Employee Benefits	17,926,337	9,971,146	0	0	(27,897,483)	0
Debt Service:						
Principal	839,315	0	0	(839,315)	0	0
Interest	937,161	(310,933)	0	0	0	626,228
Cost of Sales	576,349	0	0	0	693,150	1,269,499
Capital Outlay	9,721,324	0	(9,659,733)	0	0	61,591
TOTAL EXPENDITURES	<u>86,053,333</u>	<u>9,572,529</u>	<u>(7,888,643)</u>	<u>(839,315)</u>	<u>0</u>	<u>86,897,904</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	<u>(8,813,081)</u>	<u>(9,777,529)</u>	<u>7,881,077</u>	<u>839,315</u>	<u>0</u>	<u>(9,870,218)</u>
<u>OTHER SOURCES & USES</u>						
Proceeds from Debt	20,086,666	0	0	(20,086,666)	0	0
Bond Anticipation Notes Paid from Current Appropriations	634,315	0	0	(634,315)	0	0
Operating Transfers In	682,730	0	0	0	(682,730)	0
Operating Transfers (Out)	(682,730)	0	0	0	682,730	0
TOTAL OTHER SOURCES & USES	<u>20,720,981</u>	<u>0</u>	<u>0</u>	<u>(20,720,981)</u>	<u>0</u>	<u>0</u>
NET CHANGE FOR THE YEAR	<u>\$ 11,907,900</u>	<u>\$ (9,777,529)</u>	<u>\$ 7,881,077</u>	<u>\$ (19,881,666)</u>	<u>\$ 0</u>	<u>\$ (9,870,218)</u>

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

<u>ASSETS</u>	<u>PRIVATE PURPOSE TRUSTS</u>	<u>AGENCY</u>
Cash	\$ 626,292	\$ 336,871
Other Receivables	0	14,383
Due from Other Funds	0	5,551
 TOTAL ASSETS	 <u>\$ 626,292</u>	 <u>\$ 356,805</u>
 <u>LIABILITIES & NET POSITION</u>		
 <u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 118,937
Extraclassroom Activity Balances	0	224,482
Other Liabilities	0	13,386
 TOTAL LIABILITIES	 <u>0</u>	 <u>\$ 356,805</u>
 <u>NET POSITION</u>		
Restricted for Scholarships	<u>626,292</u>	
 TOTAL LIABILITIES & NET POSITION	 <u>\$ 626,292</u>	

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ADDITIONS</u>	
Gifts and Contributions	\$ 2,135
Investment Earnings	<u>12,419</u>
TOTAL ADDITIONS	<u>14,554</u>
<u>DEDUCTIONS</u>	
Scholarships & Awards	<u>7,075</u>
TOTAL DEDUCTIONS	<u>7,075</u>
CHANGE IN NET POSITION	7,479
NET POSITION, BEGINNING OF YEAR	<u>618,813</u>
NET POSITION, END OF YEAR	<u><u>\$ 626,292</u></u>

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Goshen Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied 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. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year's presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

The Goshen Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

The District is a component district in the Orange/Ulster 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.

During the year ended June 30, 2020, the Goshen Central School District was billed \$8,169,747 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,799,508. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road Goshen, NY 10924.

C. Basis of Presentation

1. District-Wide Statements

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

The Statement of Net Position presents the financial position of the District at June 30, 2020. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenues sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary funds:

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

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

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements (Continued)

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

D. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than August 31 and became a lien on August 19, 2019. Taxes were collected during the period September 2, 2019 through November 1, 2019.

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

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

F. Restricted Resources

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

G. Interfund Transactions

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

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

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

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

H. Estimates

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

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

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

J. Accounts Receivable

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

K. Inventories and Prepaid Items

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. There were \$826,501 in prepaid items at June 30, 2020.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

L. Capital Assets

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

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 15,000	Straight Line	50 years
Buildings and Improvements	15,000	Straight Line	50 years
Furniture and Equipment	3,000	Straight Line	5 - 20 years
Vehicles	3,000	Straight Line	5 - 20 years

M. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District 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. For additional information on these deferred outflows related to pensions, see Note 8. The second deferred outflow is related to other postemployment benefits reported in the district-wide Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 10.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The District reports deferred inflows of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 8. The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits see Note 10.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

O. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical/personal time.

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

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

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

In the funds statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

2. Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second year succeeding the year in which the note was issued.

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 are converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that year. The deficiency notes may mature no later than the close of the year following the year in which they were issued. However, they may mature no later than the close of the second fiscal year after the year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the year following the year in which they were issued.

Q. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds 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.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Equity Classifications

1. District-wide Statements

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

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

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

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

2. Funds Statements

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

1. Non-spendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaid items in the General Fund of \$826,501 and inventory in the School Lunch Fund of \$66,539.

2. Restricted: Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following reserves that have been included in restricted fund balance.

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure's may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Equity Classifications (Continued)

2. Funds Statements (Continued)

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Employee Benefit Accrued Liability Reserve

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

Insurance Reserve

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

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 year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Equity Classifications (Continued)

2. Funds Statements (Continued)

Retirement Contributions

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

Retirement Contribution Reserve – TRS Sub Fund

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System (“TRS”) and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law §521. 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. The amount of moneys contributed to the TRS Sub-fund annually cannot exceed 2% of the total salaries of all teachers employed by the District paid during the previous fiscal year. In addition, the total balance of the TRS Sub-fund cannot exceed 10% of the total salaries of all teachers employed by the District paid during the previous fiscal year.

Tax Certiorari Reserve

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

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Equity Classifications (Continued)

2. Funds Statements (Continued)

Restricted fund balance at June 30, 2020 consisted of the following:

General Fund:		
Capital Reserve	\$ 3,986,502	
Unemployment Insurance Reserve	322,502	
Insurance Reserve	496,156	
Tax Certiorari Reserve	3,494,129	
Employee Benefit Accrued Liability Reserve	1,934,696	
Retirement Contributions Reserve - TRS Subfund	541,774	
Retirement Contribution Reserve	<u>545,772</u>	
General Fund Total		\$ 11,321,531
Special Aid Fund		4,220
Debt Service Fund		<u>191,238</u>
Total Restricted Fund Balance		<u>\$ 11,516,989</u>

3. Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2020.

4. Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the year.

5. Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Equity Classifications (Continued)

2. Funds Statements (Continued)

Order of Use of Fund Balance:

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

Limitation on Unexpended Surplus Funds:

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

S. New Accounting Standards

GASB has issued Statement 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the several pronouncements were postponed by one year. Effective dates provided in Note T have been updated to reflect this.

T. Future Changes in Accounting Standards

GASB has issued Statement 84, Fiduciary Activities, which will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Future Changes in Accounting Standards (Continued)

GASB has issued Statement 87, Leases, which will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were not classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB has issued Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB has issued Statement 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61, which will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and will improve the relevance of financial statement information of certain component units. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB has issued Statement 91, Conduit Debt Obligations, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB has issued Statement 92, Omnibus 2020, which will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Future Changes in Accounting Standards (Continued)

GASB Statement No. 93, Replacement of Interbank Offered Rates, which addresses accounting and financial reporting implications that result from the replacement of an IBOR (interbank offered rate). The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which will improve financial reporting by establishing the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, which will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

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

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2020 were as follows:

Original Cost of Capital Assets	\$ 111,309,657
Accumulated Depreciation	<u>(42,199,556)</u>
	<u>\$ 69,110,101</u>

2. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2020 were as follows:

TRS Net Pension Asset - Proportionate Share	\$ 4,370,137
Deferred Outflows of Resources - Pensions	18,135,923
ERS Net Pension Liability - Proportionate Share	(5,817,874)
Deferred Inflows of Resources - Pensions	<u>(6,572,559)</u>
	<u>\$ 10,115,627</u>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

3. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requiring the use of current financial resources. This liability at June 30, 2020 was as follows:

Accrued Interest	\$ <u>350,752</u>
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4. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2020 were as follows:

Bonds Payable	\$ 28,786,666
Compensated Absences	1,050,693
Deferred Outflows of Resources - OPEB	(14,745,168)
Other Postemployment Benefits	139,210,652
Deferred Inflows of Resources - OPEB	13,344,798
	<u>\$ 167,647,641</u>

5. The Statement of Net Position reflects a receivable from the Library for the amount of the outstanding debt related to the financing of the new library building. The receivable at June 30, 2020 was as follows:

Due from Goshen Public Library	\$ <u>8,700,000</u>
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B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Position:

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

1. Long-Term Revenue Differences

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

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Pension Plan Transaction Differences

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

5. Other Post Employment Benefit (OPEB) Related 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.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

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

Total Revenues and Other Funding Sources

Total revenues and other funding sources reported in governmental funds (Schedule 5)	\$ 97,961,233
Upon disposition of assets totaling \$288,057, the cost exceeded the accumulated depreciation of \$280,491.	(7,566)
Revenue was recorded on the General fund for payments received from the Library related to outstanding debt financed for the library project. This payment is a reduction of the receivable on the Statement of Net Position	(205,000)
Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(634,315)
Issuance of bond and installment debt principal is a revenue in the governmental funds, but increases liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	<u>(20,086,666)</u>
Total revenues in the Statement of Activities (Schedule 2)	<u>\$ 77,027,686</u>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities (Continued)

Total Expenditures & Other Uses/Expenses

Total expenditures and other uses reported in governmental funds (Schedule 5) \$ 86,053,333

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$9,659,733 were more than depreciation of \$1,771,090. (7,888,643)

In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). Compensated absences earned exceeded the amount paid. (87,685)

Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year exceeds the interest payable last year. (310,933)

In the Statement of Activities the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year. 6,257,833

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities (Continued)

<p>In the Statement of Activities, pension expense related to ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was exceeded by the amount of financial resources expended during the year.</p>	3,713,314
<p>Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities</p>	<u>(839,315)</u>
<p>Total expenses in the Statement of Activities (Schedule 2)</p>	<p><u>\$ 86,897,904</u></p>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent years until the completion of the projects.

B. Encumbrances

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

C. Other Stewardship and Compliance Matters

The District was in compliance with all legal and contractual provisions for the year.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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

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

Uncollateralized	\$	0.
Collateralized with securities held by the pledging financial institution, or or its trust department or agent, but not in the District's name	\$	21,543,846

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$11,399,197 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the NYClass cooperative as of year-end are \$3,364,214,294, which consisted of \$214,167,351 in repurchase agreements, \$1,823,159,976 in U.S. Treasury Bills, \$242,274,458 in U. S. Treasury Securities and \$1,084,612,509 in collateralized bank deposits all with various interest rate and due dates.

Total investments of the New York Liquid Asset Fund cooperative as of year-end are \$141,036,435, which consisted of \$54,504,297 in U.S. Treasury Bills, \$84,569,215 in Money Market Accounts, \$2,212,500 in Government Related Investments and -\$249,578 in cash & equivalents all with various interest rate and due dates.

The following amounts are included as restricted cash:

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
General Fund - NYClass	\$ 11,167,051	\$ 11,167,051
General Fund - NYLAF	2,058,254	2,058,254
School Lunch Fund - NYclass	18,307	18,307
Capital Projects Fund	11,967	11,967
	<u>\$ 13,255,579</u>	<u>\$ 13,255,579</u>

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of Cooperative Liquid Assets Securities System - New York (CLASS) and the New York Liquid Asset Funds (NYLAF).

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. CAPITAL ASSETS.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 67,819	\$ 0	\$ 0	67,819
Construction In Progress	25,690,837	8,595,577	(34,286,414)	0
Total Nondepreciable Assets	<u>25,758,656</u>	<u>8,595,577</u>	<u>(34,286,414)</u>	<u>67,819</u>
Capital assets that are depreciated:				
Land Improvements	2,118,131	0	0	2,118,131
Buildings and Improvements	59,986,071	0	34,286,414	94,272,485
Furniture & Equipment	5,109,154	345,727	(256,057)	5,198,824
Vehicles	8,965,969	718,429	(32,000)	9,652,398
Total Depreciable Assets	<u>76,179,325</u>	<u>1,064,156</u>	<u>33,998,357</u>	<u>111,241,838</u>
Less: Accumulated Depreciation	<u>40,708,957</u>	<u>1,771,090</u>	<u>(280,491)</u>	<u>42,199,556</u>
Capital Assets, Net	<u>\$ 61,229,024</u>	<u>\$ 7,888,643</u>	<u>\$ (7,566)</u>	<u>\$ 69,110,101</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 265,664
Instruction	<u>1,505,427</u>
Total Depreciation	<u>\$ 1,771,090</u>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6. SHORT-TERM DEBT.

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid/ Redeemed</u>	<u>Ending Balance</u>
BAN maturing 07/20/19 at 1.99%	119,710	0	119,710	0
BAN maturing 07/20/20 at 1.15%	249,400	124,700	249,400	124,700
BAN maturing 07/20/20 at 1.56%	375,360	250,240	375,360	250,240
BAN maturing 07/20/20 at 1.60%	534,141	400,606	534,141	400,606
BAN maturing 07/17/20 at 1.60%	656,248	524,998	656,248	524,998
BAN maturing 07/17/20 at 1.60%	0	683,000	0	683,000
BAN maturing 12/06/19 at 3.00%	20,086,666	0	20,086,666	0
Total Short-Term Debt	<u>\$ 22,021,525</u>	<u>\$ 1,983,544</u>	<u>\$ 22,021,525</u>	<u>\$ 1,983,544</u>

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

Interest Paid	\$ 648,117
Less Interest Accrued in the Prior Year	(594,349)
Plus Interest Accrued in the Current Year	<u>43,909</u>
Interest Expense	<u>\$ 97,677</u>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. LONG-TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable	\$ 8,905,000	\$ 20,086,666	\$ 205,000	\$ 28,786,666	\$ 1,176,666
 Total Bonds and Notes Payable	 8,905,000	 20,086,666	 205,000	 28,786,666	 1,176,666
Other Liabilities:					
Compensated Absences	1,136,668	26,690	112,665	1,050,693	28,400
Other Post Employment Benefits	123,959,090	18,228,229	2,976,667	139,210,652	0
Net Pension Liability - Proportionate Share	1,524,903	5,343,945	1,050,974	5,817,874	0
 Total Other Liabilities	 126,620,661	 23,598,864	 4,140,306	 146,079,219	 28,400
 Total Long-Term Liabilities	 \$ 135,525,661	 \$ 43,685,530	 \$ 4,345,306	 \$ 174,865,885	 \$ 1,205,066

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bonds - Library	04/04/17	04/01/46	3.00 - 3.375%	\$ 8,700,000
Serial Bonds - 2020	12/05/19	12/01/35	2.00% - 2.125%	20,086,666
				<u>\$ 28,786,666</u>

The following is a summary of maturing debt service requirements:

For the Year Ended June 30,	Bonds and Notes Payable	
	Principal	Interest
2021	\$ 1,176,666	\$ 895,459
2022	1,410,000	663,194
2023	1,445,000	632,494
2024	1,470,000	601,144
2025	1,505,000	569,194
Thereafter	21,780,000	4,632,729
 TOTAL	 <u>\$ 28,786,666</u>	 <u>\$ 7,994,214</u>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. LONG-TERM LIABILITIES. (Continued)

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

Interest paid	\$ 289,044
Less: Interest accrued in the prior year	(67,336)
Plus: Interest accrued in the current year	<u>306,843</u>
 Total interest expense	 <u>\$ 528,551</u>

NOTE 8. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS), ERS and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS 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 fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Teachers' Retirement System Plan Description (Continued)

employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System s website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 3, 4, and 5 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility benefit amounts and other rules such as any offsets or other benefits depend on a members tier, years of service and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The applicable percentage payable beginning September 2019 is 1.0%.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credit service times final average salary.

Under Article 19 of the RSSL, eligible Tiers 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of two additional years.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Service Retirements (Continued)

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55 through 62 regardless of service credit.

Vested Benefits

Retirement benefits after 5 years of credited service except for Tiers 5 and 6 where 10 years of credited service are required. Benefits are payable at age 55 or greater with the limitations noted for service requirements above.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the annual benefit. The applicable percentage payable beginning September 2019 is 1.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. These contributions were as follows:

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2019 - 2020	2,612,078	1,045,387
2018 - 2019	2,970,054	998,287
2017 - 2018	2,571,016	945,668

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Contributions (Continued)

The District chose to prepay the required contributions to ERS by December 15th each year and received a discount.

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

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

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

At March 31, 2020, the District's proportion of the NYSERS net pension asset/(liability) was 0.0219703%, which was an increase of 0.000004482% in its proportion measured as of March 31, 2019.

At June 30, 2019, the District's proportion of the NYSTRS net pension asset/(liability) was 0.168211%, which was an increase of 0.00004294% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District's recognized pension expense of \$1,975,061 for ERS and \$5,399,528 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

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

	Deferred Outflows or Resources		
	ERS	TRS	Total
Differences between expected and actual experience	\$ 342,405	\$ 2,961,530	\$ 3,303,935
Changes of Assumptions	117,144	8,255,773	8,372,917
Net difference between projected and actual earnings on pension plan investments	2,982,525	0	2,982,525
Changes in proportion and difference between the District's contributions and proportionate share of contributions	407,061	21,189	428,250
District's contributions subsequent to the measurement date	353,445	2,694,851	3,048,296
Total	<u>\$ 4,202,580</u>	<u>\$ 13,933,343</u>	<u>\$ 18,135,923</u>

	Deferred Inflows or Resources		
	ERS	TRS	Total
Differences between expected and actual experience	\$ 0	\$ 324,972	\$ 324,972
Changes of Assumptions	101,152	2,012,991	2,114,143
Net difference between projected and actual earnings on pension plan investments	0	3,504,624	3,504,624
Changes in proportion and difference between the District's contributions and proportionate share of contributions	25,105	603,715	628,820
District's contributions subsequent to the measurement date	0	0	0
Total	<u>\$ 126,257</u>	<u>\$ 6,446,302</u>	<u>\$ 6,572,559</u>

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

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

Year Ended:	<u>ERS</u>	<u>TRS</u>
2021	\$ 0	\$ 1,857,618
2022	706,102	5,959
2023	946,143	1,850,452
2024	1,156,335	1,208,214
2025	914,299	65,776
Thereafter	0	(195,829)

Actuarial Assumptions

The total ERS pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The total TRS pension liability at June 30, 2019 was determined by using an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. These actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the actuarial valuations referred to above were as follows:

	<u>ERS</u>	<u>TRS</u>										
Inflation Rate	2.5%	2.20%										
Projected Salary Increases	4.2%	Rates of increase differ based on service. They have been										
		<table> <thead> <tr> <th style="text-align: center;"><u>Service</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">4.72%</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">3.46%</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">2.37%</td> </tr> <tr> <td style="text-align: center;">35</td> <td style="text-align: center;">1.90%</td> </tr> </tbody> </table>	<u>Service</u>	<u>Rate</u>	5	4.72%	15	3.46%	25	2.37%	35	1.90%
<u>Service</u>	<u>Rate</u>											
5	4.72%											
15	3.46%											
25	2.37%											
35	1.90%											
Projected Cost of Living Adjustments	1.3%	1.3% Compounded annually										
Investment Rate of Return, Including Inflation	6.8% compounded annually, net of investment expenses, including inflation	7.10% compounded annually, net of pension plan investment expense, including inflation										
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience										
Mortality Improvement	Society of Actuaries Scale MP-2018	Society of Actuaries Scale MP-2018										

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

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

Measurement Date	ERS		Measurement Date	TRS	
	March 31, 2020			June 30, 2019	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return*
Asset Class:			Asset Class:		
Domestic Equity	36%	4.05%	Domestic Equities	33%	6.30%
International Equity	14%	6.15%	International Equities	16%	7.80%
Private Equity	10%	6.75%	Global Equities	4%	7.20%
Real Estate	10%	4.95%	Real Estate Equities	11%	4.60%
Absolute Return Strategies (1)	2%	3.25%	Private Equities	8%	9.90%
Opportunistic Portfolio	3%	4.65%	Domestic Fixed Income Securities	16%	1.30%
Real Assets	3%	5.95%	Global Bonds	2%	0.90%
Bonds and Mortgages	17%	75.00%	High-Yield Bonds	1%	6.50%
Cash	1%	0.00%	Private Debt	1%	3.60%
Inflation-indexed bonds	4%	0.50%	Real Estate Debt	7%	2.90%
			Cash Equivalents	1%	0.30%
Total	100%			100%	

The real rate of return is net of the long-term inflation assumption of 2.5%.

* Real rates of return are net of a long-term inflation assumption of 2.2%

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 6.80% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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.

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

The following presents the District's proportionate share of the ERS and TRS net pension liability calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

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

<u>ERS</u>	<u>1% Decrease 5.80%</u>	<u>Current Assumption 6.80%</u>	<u>1% Increase 7.80%</u>
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (10,677,441)	\$ (5,817,874)	\$ (1,342,192)
<u>TRS</u>	<u>1% Decrease 6.10%</u>	<u>Current Assumption 7.10%</u>	<u>1% Increase 8.10%</u>
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (19,726,340)	\$ 4,370,137	\$ 24,584,362

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

Measurement Date	(Dollars in Thousands)	
	ERS	TRS
	March 31, 2020	June 30, 2019
Employers' total pension asset/(liability)	\$ (194,596,261)	\$ (119,879,473,882)
Plan net position	(168,115,682)	(122,477,480,654)
Employer's net pension asset/(liability)	\$ (26,480,579)	\$ 2,598,006,772
Ration of plan net position to the employers' total pension asset/(liability)	86.39%	102.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contributions for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$353,445 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the year ended June 30, 2020 are paid to the System in September, October and November 2020 through state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the year ended June 30, 2020. Employer contributions are based on paid TRS covered wage multiplied by the employer's contribution rate, by tier. Accrued retirement contributions are as of June 30, 2020 amounted to \$2,859,550.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 3,627,831	\$ 2,583,203	\$ 422,125	\$ 246,658
Special Aid Fund	216,888	1,098,898	187,257	0
School Lunch Fund	59,401	189,186	59,401	0
Capital Fund	1,342,623	1,453,308	0	189,342
Debt Service Fund	262,611	71,373	13,947	246,730
Total Governmental Activities	5,509,354	5,395,968	682,730	682,730
Fiduciary Agency Fund	5,551	118,937	0	0
Totals	<u>\$ 5,514,905</u>	<u>\$ 5,514,905</u>	<u>\$ 682,730</u>	<u>\$ 682,730</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	348
Active employees	<u>411</u>
 Total Employees Covered by Benefit Terms	 <u><u>759</u></u>

Total OPEB Liability

The District's total OPEB liability of \$139,210,652 was measured as of June 30, 2019.

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

Inflation Rate	3.87%
Discount Rate	3.51%
Healthcare Cost Trend Rates	Pre-65: 7.51% for 2019, decreasing to an ultimate rate of 4.50% for 2027 and later years Post-65: 8.37% for 2019, decreasing to an ultimate rate of 4.50% for 2027 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 0% - 50% of the cost of single coverage and 50% - 65% for the spouse/family based on years of service with the District.
Future Retirees' Share of Benefit Related Costs	Retirees pay 0% - 50% of the cost of single coverage and 50% - 65% for the spouse/family based on years of service with the District.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index closest to the measurement date.

Mortality rates were based on RP-2014 Headcount Weighted Mortality Table projected generationally with MP-2016 from the central year.

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

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 123,959,090
<u>Changes for the Year:</u>	
Service cost	5,029,825
Interest	4,942,513
Changes of benefit terms	0
Differences between expected and actual experience	(401,402)
Changes in assumptions or other inputs	8,255,891
Benefit payments	(2,575,265)
Net Changes	15,251,562
Balance at June 30, 2020	\$ 139,210,652

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 in the previous year to 3.51 in the current year.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51 percent) or 1 percentage point higher (4.51 percent) than the current discount rate:

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB Liability	\$ 166,346,030	\$ 139,210,652	\$ 117,909,577

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 114,345,477	\$ 139,210,652	\$ 172,185,821

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$6,257,833. At June 30, 2020, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,918,940	\$ 345,340
Changes of assumptions or other inputs	7,102,834	12,999,458
District’s contributions subsequent to the measurement date	2,723,394	0
Total	\$ 14,745,168	\$ 13,344,798

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 20, 2021. Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ (991,111)
2021	(991,111)
2022	(991,111)
2023	(991,111)
2024	1,362,622
Thereafter	1,278,798

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11. RETIREMENT INCENTIVES.

The Goshen Central School District approved a local retirement incentive whereby teachers who were eligible to retire during the 2019-2020 year under the New York State Teachers Retirement System, will receive a non-elective employer contribution. Two teachers elected to receive the local retirement incentive which amounted to a total cost to the District of \$359,114.

NOTE 12. RISK MANAGEMENT.

General Information

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Pool, Non-Risk Retained

For its employee health insurance coverage, the District participates in Orange/Ulster School District Health Plan, a public entity risk pool operated for the benefit of 21 individual governmental units located within the County of Orange. The School District pays an annual premium to the Plan for this health insurance coverage. The Orange/Ulster School District Health Plan is considered a self-sustaining risk pool that will provide coverage for its members. The District has essentially transferred all related risk to the Fund/Pool/Plan.

The District participates in Orange/Ulster School District Workers Compensation Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 20 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$500,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$500,000 limit, and the District has essentially transferred all related risk to the pool.

NOTE 13. COMMITMENTS AND CONTINGENCIES.

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

Tax Certiorari Claims

The District is subject to numerous tax certiorari claims that are currently being litigated with the support of legal counsel. Such proceedings are not uncommon to school districts.

As of June 30, 2020, there was approximately \$7,583,409 of tax certiorari claims filed against the District. Since the outcome of this litigation is unknown at this time, management is unable to make an estimate of the possible liability to the district.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. Encumbrances of appropriations of budgets for the year ended June 30, 2020 have been included in the assigned fund balance of the General Fund and in the restricted fund balance of all other funds as follows:

General Fund	\$	733,434
Special Aid Fund		4,220
 Total Encumbrances	 \$	 737,654

NOTE 15. OPERATING LEASES.

The District as lessee leases a building for use as a school; payments received during the year amounted to \$191,512. The District currently has three lease agreements. The C.J. Hooker Middle School was leased by BOCES during the 19/20 year.

NOTE 16. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 17. TAX ABATEMENTS.

The Orange County Industrial Development Agency (“the IDA”) entered into property tax abatement agreements that reduced the District’s gross tax revenues. Generally, property tax abatement agreements are entered into by the IDA under New York Real Property Tax Law, Section 412-a and General Municipal Law, Section 874 in order to induce businesses to acquire, renovate, construct and upgrade certain real property within Orange County. For a qualified and approved project, the IDA takes title or a leasehold interest in the property thereby technically making the property exempt from all real property taxes. However, the IDA requires the execution of a Payment in Lieu of Taxes (PILOT) Agreement with the company which requires the company to pay the current real property taxes, including land and special district taxes, to the County, Town/Village and School District in which it is located and a graduated percentage of taxes upon the improvements constructed on the property.

For the year ended June 30, 2020, the District abated property taxes totaling \$848,698 under these property tax abatement agreements and received payments in lieu of tax (PILOT) in the amount of \$760,039.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through September 22, 2020 the date that the financial statements were available to be issued. On August 13, 2020, the New York State Division of the Budget (DOB) issued the *FY 2021 First Quarterly State Budget Financial Plan Update* which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
<u>Total OPEB Liability</u>			
Service cost	\$ 5,029,825	\$ 4,272,070	\$ 5,165,889
Interest	4,942,513	4,250,985	3,708,574
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(401,402)	6,878,676	0
Changes in assumptions or other inputs	8,255,891	(4,676,742)	(16,860,435)
Benefit payments	<u>(2,575,265)</u>	<u>(2,451,272)</u>	<u>(2,558,393)</u>
Net change in total OPEB liability	15,251,562	8,273,717	(10,544,365)
Total OPEB liability-beginning	<u>123,959,090</u>	<u>115,685,373</u>	<u>126,229,738</u>
Total OPEB liability-ending	<u>\$ 139,210,652</u>	<u>\$ 123,959,090</u>	<u>\$ 115,685,373</u>
Covered-employee payroll	\$ 31,768,700	\$ 31,768,700	\$ 29,144,467
Total OPEB liability as a percentage of covered-employee payroll	438.20%	390.19%	396.94%

Notes to Schedule:

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

6/30/2019	3.51%
6/30/2018	3.87%
6/30/2017	3.58%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR'S REVENUES</u>	<u>OVER (UNDER) REVISED BUDGET</u>
<u>REVENUES</u>				
LOCAL SOURCES:				
Real Property Taxes	\$ 49,153,591	\$ 49,153,591	\$ 49,453,038	\$ 299,447
Other Tax Items	3,864,599	3,864,599	3,677,580	(187,019)
Charges for Services	259,615	259,615	396,919	137,304
Use of Money & Property	206,400	206,400	637,786	431,386
Sale of Property & Compensation for Loss	0	0	21,531	21,531
Miscellaneous	325,000	341,449	998,447	656,998
STATE SOURCES	18,213,408	18,238,408	18,199,948	(38,460)
OTHER SOURCES:				
Operating Transfers In	<u>246,730</u>	<u>246,730</u>	<u>422,125</u>	<u>175,395</u>
TOTAL REVENUES	72,269,343	72,310,792	<u>\$ 73,807,374</u>	<u>\$ 1,496,582</u>
APPROPRIATED FUND BALANCE	1,996,725	3,907,961		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	<u>\$ 74,266,068</u>	<u>\$ 76,218,753</u>		

See paragraph on supplementary schedules included in auditor's report

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXPENDITURES	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
GENERAL SUPPORT:					
Board of Education	\$ 21,720	\$ 35,342	\$ 31,215	\$ 3,975	\$ 152
Central Administration	42,639	35,153	35,103	0	50
Finance	377,051	459,389	457,683	0	1,706
Central Services	6,339,115	6,506,241	5,813,904	532,867	159,470
Special Items	811,421	2,748,181	2,711,965	34,973	1,243
INSTRUCTIONAL:					
Instruction, Administration & Improvement	3,275,211	3,243,903	3,149,225	32,874	61,804
Teaching - Regular School	21,253,717	21,645,955	21,563,785	51,177	30,993
Programs for Children with Handicapping Conditions	11,966,874	10,822,081	10,730,376	26,818	64,887
Teaching - Special Schools	1,208,839	1,331,694	1,235,046	0	96,648
Instructional Media	1,280,116	1,769,617	1,572,518	21,954	175,145
Pupil Services	3,865,871	4,270,323	3,957,017	25,796	287,510
PUPIL TRANSPORTATION	3,517,823	3,554,926	3,141,179	3,000	410,747
EMPLOYEE BENEFITS	18,076,065	17,820,463	17,605,648	0	214,815
DEBT SERVICE:					
Debt Service - Principal	839,315	839,315	839,315	0	0
Debt Service - Interest	1,258,291	937,161	937,161	0	0
TOTAL EXPENDITURES	74,134,068	76,040,348	73,801,744	733,434	1,505,170
OTHER USES:					
Operating Transfers Out	132,000	178,405	246,658	0	(68,253)
TOTAL EXPENDITURES & OTHER USES	\$ 74,266,068	\$ 76,218,753	74,048,402	\$ 733,434	\$ 1,436,917
EXCESS OF EXPENDITURES & OTHER USES OVER REVENUES & OTHER SOURCES			\$ (241,028)		

See paragraph on supplementary schedules included in auditor's report.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	NYSERS Pension Plan Last 10 Fiscal Years*						
	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
District's proportion of the net pension asset/(liability)	0.0219703%	0.0215221%	0.0221220%	0.0223709%	0.0215545%	0.0222909%	0.0222909%
District's proportionate share of the net pension asset/(liability)	\$ (5,817,874)	\$ (1,524,903)	\$ (713,976)	\$ (2,102,018)	\$ (3,459,558)	\$ (753,042)	\$ (1,007,295)
District's covered-employee payroll	\$ 7,776,130	\$ 7,204,665	\$ 6,956,986	\$ 6,843,605	\$ 6,291,487	\$ 6,481,990	\$ 6,386,371
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-74.82%	-21.17%	-10.26%	-30.72%	-54.99%	-11.62%	-15.77%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.15%

	NYSTRS Pension Plan Last 10 Fiscal Years*						
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
District's proportion of the net pension asset/(liability)	0.168211%	0.163917%	0.159844%	0.160361%	0.158132%	0.154371%	0.153480%
District's proportionate share of the net pension asset/(liability)	\$ 4,370,137	\$ 2,964,057	\$ 1,214,972	\$ (1,717,538)	\$ 16,424,915	\$ 17,195,915	\$ 1,010,286
District's covered-employee payroll	\$ 30,415,929	\$ 28,781,539	\$ 27,248,739	\$ 25,753,977	\$ 24,745,377	\$ 23,132,735	\$ 23,066,933
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	14.37%	10.30%	4.46%	-6.67%	66.38%	74.34%	4.38%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

	NYSERS Pension Plan Last 10 Fiscal Years*						
	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2017</u>	<u>3/31/2016</u>	<u>3/31/2015</u>	<u>3/31/2014</u>
Contractually required contribution	\$ 1,067,917	\$ 1,036,988	\$ 1,029,472	\$ 1,036,089	\$ 1,126,418	\$ 1,320,134	\$ 1,234,062
Contributions in relation to the contractually required contribution	<u>1,067,917</u>	<u>1,036,988</u>	<u>1,029,472</u>	<u>1,036,089</u>	<u>1,126,418</u>	<u>1,320,134</u>	<u>1,234,062</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 7,776,130	\$ 7,204,665	\$ 6,956,986	\$ 6,843,605	\$ 6,291,487	\$ 6,481,990	\$ 6,386,371
Contributions as a percentage of its covered-employee payroll	13.73%	14.39%	14.80%	15.14%	17.90%	20.37%	19.32%

	NYSTRS Pension Plan Last 10 Fiscal Years*						
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Contractually required contribution	\$ 2,981,796	\$ 2,616,628	\$ 2,968,675	\$ 3,281,237	\$ 4,164,011	\$ 3,705,476	\$ 2,661,804
Contributions in relation to the contractually required contribution	<u>2,981,796</u>	<u>2,616,628</u>	<u>2,968,675</u>	<u>3,281,237</u>	<u>4,164,011</u>	<u>3,705,476</u>	<u>2,661,804</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 30,415,929	\$ 28,781,539	\$ 27,248,739	\$ 25,753,977	\$ 24,745,377	\$ 23,132,735	\$ 23,066,933
Contributions as a percentage of its covered-employee payroll	9.80%	9.09%	10.89%	12.74%	16.83%	16.02%	11.54%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET &
AND REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	\$ 73,249,777
ADDITIONS:	
Encumbrances from Prior Year	1,016,291
Increases in Prior Year Encumbrances	5,482
ORIGINAL BUDGET	74,271,550
BUDGET REVISIONS:	
Budget Amendments for Tax Certiorari Claims	
Tax Certiorari Claims	1,905,755
Budget Amendment for Donations:	
Donations	16,448
Budget Amendment for State Aid	
Other State Aid	25,000
REVISED BUDGET	\$ 76,218,753

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-2021 Voter-approved expenditure budget maximum allowed (4% of 2020-2021 budget of \$76,083,837)	\$ 3,043,353
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	1,713,868
Unassigned Fund Balance	3,043,352
Total Unrestricted Fund Balance	\$ 4,757,220
Less:	
Appropriated Fund Balance	980,434
Encumbrances Included in Assigned Fund Balance	733,434
Total Adjustments	\$ 1,713,868
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 3,043,352
Actual Percentage	4.0%

See paragraph on supplementary schedules included in auditor's report.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	EXPENDITURES TO DATE			UNEXPENDED BALANCE	
			PRIOR YEARS	CURRENT YEAR	TRANSFERS OUT		TOTAL
Middle School Heating System	\$ 70,000	\$ 70,000	\$ 67,480	\$ 0	\$ 2,520	\$ 70,000	\$ 0
2017 Construction Project - High School 0008-01)	24,164,111	23,929,676	19,495,446	7,298,518	0	26,793,964	(2,864,288)
2017 Construction Project - Field House 7025-00)	1,355,600	3,557,456	2,034,613	486,522	0	2,521,135	1,036,321
2017 Construction Project - Press Box 7026-00)	161,625	832,147	818,541	7,059	0	825,600	6,547
2017 Construction Project - Districtwide 7999-003	4,802,513	4,053,564	3,342,236	803,478	172,875	4,318,589	(265,025)
CJ Hooker Domestic Water Supply Piping	345,955	345,955	345,955	0	0	345,955	0
Bus Purchases 2016	623,500	623,500	623,500	0	0	623,500	0
Bus Purchases 2017	625,600	625,600	625,600	0	0	625,600	0
Bus Purchases 2018	667,676	667,676	667,676	0	0	667,676	0
Bus Purchases 2019	656,248	656,248	656,248	0	0	656,248	0
Bus Purchases 2020	683,000	683,000	0	669,953	13,047	683,000	0
	<u>\$ 34,155,828</u>	<u>\$ 36,044,822</u>	<u>\$ 28,677,296</u>	<u>\$ 9,264,630</u>	<u>\$ 189,342</u>	<u>\$ 38,131,267</u>	<u>\$ (2,086,445)</u>

	METHODS OF FINANCING					FUND BALANCE JUNE 30, 2020
	PROCEEDS FROM DEBT	STATE AID	LOCAL SOURCES	GENERAL APPROPRIATION	TOTAL	
Middle School Heating System	\$ 0	\$ 0	\$ 70,000	\$ 0	\$ 70,000	\$ 0
2017 Construction Project - High School 0008-01)	15,868,466	0	0	8,483,067	24,351,533	(2,442,432)
2017 Construction Project - Field House 7025-00)	1,506,500	0	0	609,200	2,115,700	(405,435)
2017 Construction Project - Press Box 7026-00)	502,167	0	0	8,000	510,167	(315,433)
2017 Construction Project - Districtwide 7999-003	2,209,533	1,342,623	0	3,929,733	7,481,889	3,163,300
CJ Hooker Domestic Water Supply Piping	0	0	0	345,955	345,955	0
Bus Purchases 2016	124,700	0	0	0	124,700	(124,700)
Bus Purchases 2017	250,240	0	0	0	250,240	(250,240)
Bus Purchases 2018	400,605	0	0	0	400,605	(400,605)
Bus Purchases 2019	525,000	0	0	0	525,000	(525,000)
Bus Purchases 2020	683,000	0	0	0	683,000	(683,000)
	<u>\$ 22,070,211</u>	<u>\$ 1,342,623</u>	<u>\$ 70,000</u>	<u>\$ 13,375,955</u>	<u>\$ 36,858,789</u>	<u>\$ (1,983,545)</u>

See paragraph on supplementary schedules included in auditor's report

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS, NET		\$ 69,110,101
DEDUCTIONS:		
Bond Anticipation Note	\$ 1,983,544	
Short-term Portion of Bonds Payable	961,666	
Long-term Portion of Bonds Payable	<u>19,125,000</u>	
TOTAL DEDUCTIONS		<u>(22,070,210)</u>
NET INVESTMENT IN CAPITAL ASSETS		<u>\$ 47,039,891</u>

See paragraph on supplementary schedules included in auditor's report.



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Jennifer A. Traverse, CPA

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

To the President and Members
of the Board of Education of the
Goshen Central School District
Goshen, 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 fiduciary fund of Goshen Central School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Goshen Central School District's basic financial statements and have issued our report thereon dated September 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Goshen Central School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goshen Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Goshen 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 considered 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 Goshen 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Montgomery, New York
September 22, 2020



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

To the President and Members
of the Board of Education of the
Goshen Central School District
Goshen, New York

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Jennifer A. Traverse, CPA

Report on Compliance for Each Major Federal Program

We have audited Goshen 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 Goshen Central School District's major federal programs for the year ended June 30, 2020. Goshen 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Goshen 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 Goshen 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 Goshen Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Goshen 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, 2020.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

Goshen Central School District's response to the noncompliance finding that we identified in our audit is described in the accompanying schedule of findings and questioned costs. Goshen Central School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Goshen 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 Goshen 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 Goshen 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.

Montgomery, New York
September 22, 2020

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed-through NYS Education Department				
Special Education Cluster:				
IDEA - Part B, Section 611	84.027	0032-20-0680	\$ 26,311	\$ 642,977
IDEA - Part B, Section 611	84.027	0032-19-0680	0	53,688
IDEA - Part B, Section 619	84.173	0033-20-0680	4,605	21,072
Total Special Education Cluster			<u>\$ 30,916</u>	<u>717,737</u>
Title I Part D, Neglected & Delinquent	84.010A	0016-19-2245		9,651
Title I Part D, Neglected & Delinquent	84.010A	0016-20-2245		21,601
Title I Parts A&D, Basic Program	84.010	0021-20-2245		316,034
Title III Part A, LEP	84.365	0293-19-2245		794
Title III Part A, LEP	84.365	0293-20-2245		21,201
Title IV	84.424	0204-20-2245		11,684
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-19-2245		1,910
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-20-2245		81,969
Total Passed-through NYS Education Department				<u>464,844</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>1,182,581</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Community Oriented Policing Services (COPS)	16.710	2019SVWX0072		48,811
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>48,811</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-through NYS Education Department				
Child Nutrition Cluster:				
Cash Assistance				
National School Lunch Program	10.555	N/A		267,535
National School Breakfast Program	10.555	N/A		48,105
Cash Assistance Subtotal				<u>315,640</u>
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A		89,506
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER				<u>405,146</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 1,636,538</u>

The accompanying notes are an integral part of the schedule

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net assets or cash flows of the District.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$89,506 of commodities under the Commodity Supplemental Food Program (CFDA 10.565).

NOTE 3. OTHER DISCLOSURES.

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

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

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:
 Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal Control over Major Programs:
 Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-200.516(a)? _____ Yes X No

IDENTIFICATION OF MAJOR PROGRAMS:

<u>CFDA NUMBERS</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
84.027	IDEA – Part B, Section 611
84.173	IDEA – Part B, Section 619

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements as required to be reported.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Finding on Internal Control over Compliance

Finding Reference: 2020-001

Federal Agency: U.S. Department of Education

Federal Program: IDEA – Part B, Section 611 (84.027)

IDEA – Part B, Section 619 (84.173)

Compliance Requirement: Activities Allowed or Unallowed

Type of Finding: a) Significant Deficiencies in Internal Control Over Compliance

b) Compliance Finding

Criteria: According to 2 CFR, Part 200.430(i)(1) of the Office of Management and Budget's Uniform Grant Guidance, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed, which must, among other things:

- a) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- b) Be incorporated into the official records of the non-Federal entity;
- c) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity;
- d) Encompass both federally assisted and all other activities compensated by the non-Federal entity;
- e) Support the distribution of the employee's salary or wages amount specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Condition: Several of the District employees whose time was being charged to the grants but who were working less than 100% of the time in the federal award program, were required to complete monthly certifications of the percentage of time they worked in each federal award program however, they were being completed semi-annually and were not being completed timely.

Cause: The School District did not have adequate internal controls in place to ensure that the monthly certifications were being completed by each employee working in the federal award programs and are not ensuring that they are being completed timely.

Effect: Without adequate internal controls over the employee certification requirement, the School District cannot ensure that federal funds are paid in accordance with the time worked in the grant. Additionally, they cannot easily monitor the amount of funds that can be charged to the grant for salaries and benefits. Payments that do not agree with the time worked are unallowable and subject to recovery by the grantor.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

A. Finding on Internal Control over Compliance (Continued)

Finding Reference: 2020-001 (Continued)

Federal Agency: U.S. Department of Education

Federal Program: IDEA – Part B, Section 611 (84.027)

IDEA – Part B, Section 619 (84.173)

Compliance Requirement: Activities Allowed or Unallowed

Type of Finding: a) Significant Deficiencies in Internal Control Over Compliance
b) Compliance Finding

Questioned Costs: The employees' certifications in questions were reviewed and after reviewing the allocation of each employees' time it was determined that the time being charged to the grant was appropriate, therefore, there were no questioned costs.

Recommendation: We recommend that the District ensure that the employees working in the grants are timely certifying their actual percent of time and effort that is being spent working in the federal award program. Monthly certifications should be completed if less than 100% of time is being worked in the federal award program or semiannually if 100% of time is being spent.

Management Response: The District agrees with the finding and will implement adequate checks and balances to ensure that this problem does not recur. Please refer to the corrective action plan on the following page.

Louise M. Lynch
Assistant Superintendent
Telephone: 845-615-6740
louise.lynch@gcsny.org



GOSHEN CENTRAL SCHOOL DISTRICT
227 MAIN STREET
GOSHEN, NEW YORK 10924

Cradle of the Trotter
and
Birthplace of Webster's
Dictionary

September 22, 2020

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2020-001

Name of Contact Person: Ms. Louise M. Lynch, Assistant Superintendent for Business

Corrective Action: The District will implement a system of internal controls to ensure that all certifications are completed in accordance with the percentage of time worked (ie. monthly or semiannually) and that they are completed timely. Additionally, the District will ensure that this information is verified to the costs being charged to the grant.

Anticipated Completion Date: Currently in process.

Sincerely,

A handwritten signature in cursive script that reads "Louise M Lynch".

Louise M. Lynch
Assistant Superintendent for Business



Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

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Patrick M. Bullis, CPA
Justin B. Wood, CPA

Richard P. Capicchioni, CPA
Walter J. Jung, CPA
Jennifer A. Traverse, CPA

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Goshen Central School District
Goshen, New York

Report on Financial Statements

We have audited the accompanying financial statements of the Goshen Central School District's extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2020, and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the President and Members
of the Board of Education of the
Goshen Central School District

Page 2

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets liabilities and fund balance of the extraclassroom activity funds of the Goshen Central School District as of June 30, 2020, and its cash receipts and cash disbursements for the year then ended, in accordance with the basis of accounting described in Note #1.

Basis of Accounting

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

Mygrand + Hausaler, P.C.

Montgomery, New York
September 22, 2020

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2020

ASSETS

Cash in Checking		
Middle School - Demand Account	\$ 56,957	
High School - Demand Account	<u>167,525</u>	
TOTAL ASSETS		<u>\$ 224,482</u>

FUND BALANCE

Fund Balance, Beginning of Year	\$ 245,646	
Excess of Disbursements over Receipts	<u>(21,164)</u>	
Fund Balance, End of Year		<u>\$ 224,482</u>

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
EXTRACLASROOM ACTIVITY FUND
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	CASH BALANCE JUNE 30, 2019	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2020
Band	\$ 2,197	\$ 1,215	\$ 1,412	\$ 2,000
Basketball	350	0	130	220
Class of 2019	9,237	75	9,312	0
Class of 2020	23,220	263,443	273,612	13,051
Class of 2021	6,571	20,955	10,904	16,622
Class of 2022	3,545	1,599	446	4,698
Class of 2022	0	3,111	1,501	1,610
Cheerleaders	720	22,092	22,352	460
Cultural Diversity Club	7	234	120	121
Dungeons & Dragons	86	0	0	86
Drama Club	7,759	3,065	2,183	8,641
ENL Club	0	1,166	0	1,166
Fine Arts Scholarship	1,655	370	92	1,933
The "G" Club	199	0	0	199
GHS Theatre Group	4,029	4,479	4,775	3,733
Goshen Lady Gladiators	2,449	1,607	3,297	759
Goshen Varsity Club	920	10,141	7,652	3,409
Hope Club	494	1	0	495
Interact	349	1,669	1,492	526
Language Honor Society	1,535	3,745	3,415	1,865
Leo Club	4,776	5	74	4,707
LGBTQ+ Allies	698	101	0	799
Mock Trial Team	1,745	2	1,092	655
National Honor Society	5,784	354	1,481	4,657
Orchestra	2,717	425	578	2,564
PAES	896	133	14	1,015
Performing Arts	45,887	75,184	67,158	53,913
Ski Club	4,272	4,087	5,810	2,549
Student Senate	11,502	3,072	6,774	7,800
Page Totals	\$ 143,599	\$ 422,330	\$ 425,676	\$ 140,253

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	CASH BALANCE JUNE 30, 2019	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2020
Balance From Previous Page	\$ 143,599	\$ 422,330	\$ 425,676	\$ 140,253
Student Senate Scholarship	4,692	3,255	3,700	4,247
Swift - Outdoor Club	599	1	315	285
Track Team Fund	7,570	409	610	7,369
Volleyball Club	66	0	0	66
Wrestling Fund	3,791	1,504	1,498	3,797
Yearbook	8,952	2,725	670	11,007
Young Progressives	501	0	0	501
TOTAL - High School	169,770	430,224	432,469	167,525
TOTAL - Middle School	75,876	65,163	84,082	56,957
GRAND TOTAL	\$ 245,646	\$ 495,387	\$ 516,551	\$ 224,482

See notes to financial statement.

GOSHEN CENTRAL SCHOOL DISTRICT
GOSHEN, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Goshen Central School District. We have included the Extraclassroom Activity Fund balances within the fiduciary funds of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of the Goshen Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.