

SULLIVAN WEST CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2019

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

To The Board of Education of the
Sullivan West Central School District
Jeffersonville, New York

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West School District, New York, as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents, and the 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 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West School District, New York, as of June 30, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, on pages 4 through 12 and 55 through 60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sullivan West Central School District, New York's financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The prior year summarized comparative information has been derived from the District's June 30, 2019 financial statements and, in our report dated October 2, 2018, we expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2019 on our consideration of the Sullivan West School District, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Sullivan West School District, New York's internal control over financial reporting and compliance.


Mongaup Valley, New York
October 4, 2019

Management's Discussion and Analysis

Sullivan West Central School District Review

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2019. This section is a summary of the School District's financial activity based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for 2019 are as follows:

District – Wide Statements

- Tax Revenues accounted for \$18,242,197 or 45% of total revenues, State and Federal sources accounted for \$17,094,646 or 42% of total revenues, and Miscellaneous accounted for \$582,533 or 1.6% of total revenues.
- Total Net Position was (\$45,838,312) at June 30, 2019, down (\$8,086,687) from the prior year's amount.

Fund Financial Statements

- Among major funds, the General Fund had \$35,190,410 in total revenues, of which \$18,242,197 or 52% was made up of tax revenues, including STAR payments, and \$15,822,076 or 45%, was made up of state and federal sources. The General Fund expenditures totaled \$35,754,034 for the year ended June 30, 2019. The General Fund's fund balance decreased from the amount of \$10,182,400 at June 30, 2018, to \$9,618,776, at June 30, 2019. Of the total fund balance, \$2,927,924 was assigned (\$2,400,000 designated to reduce the subsequent year's tax levy and \$527,924 encumbered for the subsequent year) and \$5,154,917 was restricted, leaving \$1,535,935 as unassigned. The unassigned fund balance is in compliance with the 4% requirement.

Using this Annual Report

This annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the District's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment and facility conditions in arriving at their conclusion regarding the overall health of the District.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, the governmental and fiduciary, use different accounting approaches.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the District's Fiduciary Responsibilities

The District is the trustee or fiduciary for assets that belong to others such as the student activities funds. It is the District's responsibility to ensure that assets reported in these funds are being used for their intended purposes. The District's fiduciary activities are reported in a separate "Statement of Fiduciary Net Position and Changes in Fiduciary Net Position" schedule, as the District may not use these assets to finance its operations.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Financial Analysis of the School District as a Whole
Condensed Statement of Net Statement of Net Position (in Thousands of Dollars)

Net Position	2019	2018	Increase (Decrease)
Current Assets	\$ 18,855	\$ 21,259	-11.31%
Net Pension Asset	1,128	489	
Capital Assets, Net	35,807	34,228	4.61%
Total Assets	55,790	55,976	-0.33%
Total Deferred Outflows of Resources	8,858	9,588	
Current Liabilities	3,141	2,474	26.96%
Long-Term Liabilities	90,795	105,319	-13.79%
Total Liabilities	93,936	107,793	-12.86%
Total Deferred Inflows of Resources	16,550	11,695	
Net Investment in Capital Assets	21,147	17,003	24.37%
Restricted	5,155	5,519	-6.60%
Unrestricted	(72,141)	(76,448)	-5.63%
Total Net Position	\$ (45,839)	\$ (53,926)	-15.00%

Note: Totals may not add due to rounding.

Governmental Activities

The laws in New York State require the District to seek voter approval for the general fund-operating budget. Without voter approval, school districts are placed on a contingency budget, which limits expenditures to those considered essential to maintain an educational program, preserve property and assure the health and safety of students and staff. The budget for the 2019-2020 school year was approved by the voters.

School districts are dependent upon property taxes as a primary source of revenue. Since the District must rely heavily on voter approval for funding levels, management of resources is of paramount concern to District administration and the voting public.

The District's Funds

Information about the School District's major funds starts on Page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$36.4 million and expenditures of \$39.6 million, exclusive of interfund transfers and proceeds of debt.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Governmental Fund Activities (in Thousands of Dollars)

Revenues and Other Sources	2019	2018	Increase or (Decrease)
General Fund	\$ 35,190	\$ 34,524	1.93%
Special Aid Fund	947	957	-1.04%
School Lunch Fund	443	448	-1.12%
Capital Projects	475	4,330	-89.03%
Debt Service	<u>3,493</u>	<u>3,424</u>	2.02%
Total	<u>\$ 40,548</u>	<u>\$ 43,683</u>	-7.18%
Expenditures and Other Uses			
General Fund	\$ 35,754	\$ 37,853	-5.55%
Special Aid Fund	947	957	-1.04%
School Lunch Fund	451	451	0.00%
Capital Projects	2,825	499	466.13%
Debt Service	<u>3,653</u>	<u>3,416</u>	6.94%
Total	<u>\$ 43,630</u>	<u>\$ 43,176</u>	1.05%
Gains or (Losses)			
General Fund	\$ (564)	\$ (3,329)	-83.06%
Special Aid Fund	-	-	0.00%
School Lunch Fund	(8)	(3)	166.67%
Capital Projects	(2,350)	3,831	161.34%
Debt Service	<u>(160)</u>	<u>8</u>	-2100.00%
Total	<u>\$ (3,082)</u>	<u>\$ 507</u>	-707.89%
Fund Balances			
General	\$ 9,619	\$ 10,182	-5.53%
Special Aid			0.00%
School Lunch	221	229	-3.49%
Capital Projects	4,208	6,558	-35.83%
Debt Service	<u>1,748</u>	<u>1,908</u>	-8.39%
Total	<u>\$ 15,796</u>	<u>\$ 18,877</u>	-16.32%

Note: Totals may not add due to rounding.

General Fund Budget Information

The District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant fund is the General Fund. The adopted budget and subsequent modifications to the General Fund budget are detailed in the Required Supplementary Information on pages 55 and 60 in the financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

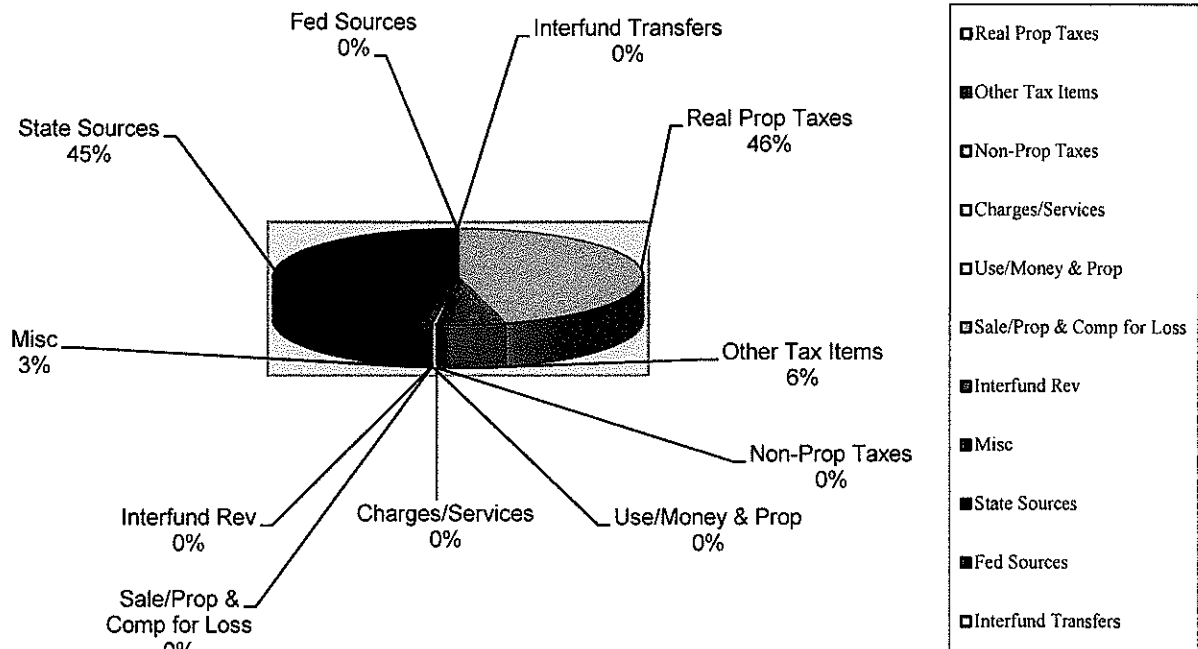
General Fund Activity (in Thousands of Dollars)

The tables that follow assist in illustrating the financial activities of the general fund.

Revenues	2019 Amount	2018 Amount	% Change
Real Property Taxes	\$ 16,215	\$ 15,828	2.45%
Other Tax Items, incl. STAR	2,027	2,029	-0.10%
Non-Property Taxes	-	-	0.00%
Charges for Services	133	54	146.30%
Use of Money & Property	141	114	23.68%
Sale of Property & Compensation for Loss	20	29	-31.03%
Interfund Revenues	-	-	0.00%
Miscellaneous	582	862	-32.48%
State Sources	15,776	15,592	1.18%
Federal Sources	46	16	187.50%
Interfund Transfers	250	-	0.00%
Total Revenues	\$ 35,190	\$ 34,524	1.93%

Note: Totals may not add due to rounding.

Sources of Revenues for Fiscal Year 2019



Overall revenues were up \$416,000 or 1.2% from last year.

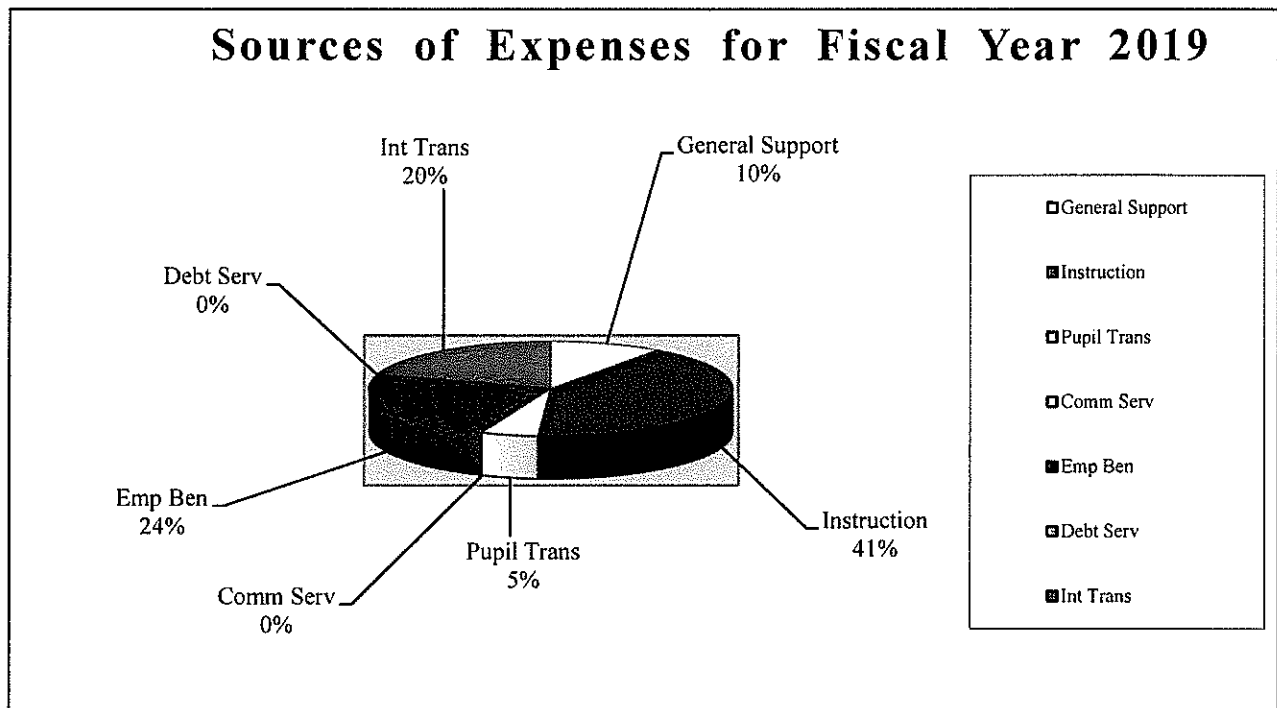
SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

General Fund Activity (in Thousands of Dollars (Continued))

Expenditures	2019 Amount	2018 Amount	% Change
General Support	\$ 3,631	\$ 3,750	-3.17%
Instruction	16,754	15,599	7.40%
Pupil Transportation	2,017	1,899	6.21%
Community Service	-	-	0.00%
Employee Benefits	9,541	8,945	6.66%
Debt Service	-	-	0.00%
Interfund Transfers	3,811	7,660	-50.25%
Total Expenditures	<u>\$ 35,754</u>	<u>\$ 37,853</u>	-5.55%

Note: Totals may not add due to rounding.

The expenditures decreased \$2.1 million or 5.55%. The largest cost increase was in the instruction category which represents a difference of \$1.2 million. Employee benefits and pupil transportation represent a total increase of \$700 thousand. Interfund transfers and general support experienced a decrease of \$4 million.



SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2019	2018	% Change
Land	\$ 50	\$ 50	0.00%
Construction In Progress	3,639	848	-49.29%
Building and Improvements	50,748	50,713	0.07%
Infrastructure	1,002	1,002	0.00%
Machinery and Equipment	1,907	1,854	2.86%
Vehicles	166	182	-8.79%
Total	57,512	54,649	5.24%
Accumulate Depreciation	21,704	20,420	6.29%
Total Capital Assets, Net	<u>\$ 35,808</u>	<u>\$ 34,229</u>	<u>4.61%</u>

Capital Assets

The District has \$35.8 million invested in capital assets, net of \$21.7 million in accumulated depreciation, as of June 30, 2019. During the year ended June 30, 2019, \$2.9 million was expended on furniture, equipment and capital construction. Depreciation for the year ended June 30, 2019, was \$1.3 million.

Debt

As of June 30, 2019, the District has \$14.7 million in outstanding bonds payable, a net reduction of \$2.6 million during the year. The District paid \$838 thousand in interest throughout the year.

Factors Bearing on the District's Future

The Board of Education received voter approval on the budget that has a 2.50% increase on the tax levy for the 2019-20 year. This budget is within the tax levy limit. Eligible property owners will continue to receive the Tax Freeze benefit as a result of the District staying within the tax levy limit. The Board of Education has continued to present a budget that follows their financial plan. Moreover, as in the past, Sullivan West remains committed to seek and implement cost savings and efficiencies throughout the district's operations in an effort to stabilize taxes for our constituents.

Negotiations have successfully been completed and all contracts with staff are settled. Agreements for all personnel are critical to planning future budgets and understanding our financial position.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Contacting the District's Financial Management

It is the intent of this report 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 funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Sullivan West Central School District; 33 Schoolhouse Road; Jeffersonville, NY 12748.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash	\$ 12,297,089	\$ 14,400,845
Cash - Restricted	5,154,917	5,519,376
Accounts Receivable	10,124	3,212
Due From Fiduciary Funds	165,131	87,817
State And Federal Aid Receivable	785,230	883,063
Due From Other Governments	428,871	351,525
Inventory	<u>13,562</u>	<u>12,980</u>
Total Current Assets	<u>18,854,924</u>	<u>21,258,818</u>
Non-Current Assets		
Net Pension Asset	1,127,897	488,594
Capital Assets, Net	<u>35,807,304</u>	<u>34,228,310</u>
Total Non-Current Assets	<u>36,935,201</u>	<u>34,716,904</u>
TOTAL ASSETS	<u>55,790,125</u>	<u>55,975,722</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	6,703,109	7,503,803
Total OPEB Liability	<u>2,154,757</u>	<u>2,083,697</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,857,866</u>	<u>9,587,500</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30,

	<u>2019</u>	<u>2018</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 410,306	\$ 572,634
Accrued Liabilities	191,564	216,644
Due To Other Governments	1,176,154	425,050
Due To TRS	1,146,687	1,040,997
Due To ERS	207,681	208,493
Unearned Revenues	<u>8,115</u>	<u>10,607</u>
Total Current Liabilities	<u>3,140,507</u>	<u>2,474,425</u>
Non-Current Liabilities:		
Due Within One Year		
Bonds Payable	2,685,000	2,565,000
Retirement Incentives	60,000	70,000
Total OPEB Liability	2,200,000	2,000,000
Due Beyond One Year		
Bonds Payable	11,975,000	14,660,000
Retirement Incentives	40,000	20,000
Compensated Absences	563,750	675,103
Total OPEB Liability	72,630,997	85,035,903
Net Pension Liability	<u>640,614</u>	<u>292,568</u>
Total Non-Current Liabilities	<u>90,795,361</u>	<u>105,318,574</u>
TOTAL LIABILITIES	<u>93,935,868</u>	<u>107,792,999</u>
DEFERRED INFLOW OF RESOURCES		
Pensions	1,627,922	2,285,260
Total OPEB Liability	<u>14,922,513</u>	<u>9,409,962</u>
DEFERRED INFLOWS OF RESOURCES	<u>16,550,435</u>	<u>11,695,222</u>
NET POSITION		
Net Investment In Capital Assets	21,147,304	17,003,310
Restricted	5,154,917	5,519,376
Unrestricted	<u>(72,140,533)</u>	<u>(76,447,685)</u>
TOTAL NET POSITION	<u>\$ (45,838,312)</u>	<u>\$ (53,924,999)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE NET FIGURES FOR THE YEAR ENDED JUNE 30, 2018)

	I PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	2019	2018
FUNCTIONS AND PROGRAMS:					
General Support	\$ 3,787,276	\$ 932	\$ -	\$ (3,786,344)	\$ (2,732,761)
Instruction	21,409,517	132,983	866,309	(20,285,225)	(28,681,306)
Pupil Transportation	2,048,619	-	24,310	(2,024,309)	(1,828,767)
Debt Service	826,007	-	-	(826,007)	(938,915)
School Lunch Program	330,073	185,111	257,458	112,496	330,336
TOTAL FUNCTIONS AND PROGRAMS	28,401,492	319,026	1,148,077	(26,809,389)	(33,851,413)
GENERAL REVENUES					
Real Property Taxes				16,214,894	15,828,002
Other Tax Items				2,027,303	2,028,768
Investment Earnings				229,544	121,106
Sale Of Property And Compensation For Loss				19,916	28,729
Miscellaneous Local Sources				582,343	861,429
State Sources				15,776,421	15,592,300
Federal Aid				45,655	15,853
TOTAL GENERAL REVENUES				34,896,076	34,476,187
CHANGE IN NET POSITION				8,086,687	624,774
TOTAL NET POSITION -- Beginning Of Year				(53,924,999)	(54,549,773)
TOTAL NET POSITION -- End Of Year				\$ (45,838,312)	\$ (53,924,999)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	NON-MAJOR FUND	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS	2018 TOTAL
ASSETS								
Cash	\$ 6,553,702	\$ 97,594	\$ 244,788	\$ 3,653,021	\$ 1,747,984	-	\$ 12,297,089	\$ 14,400,845
Cash - Restricted	5,154,917	-	-	-	-	-	5,154,917	5,519,376
Accounts Receivable	9,838	-	286	-	-	-	10,124	3,212
Due From Other Funds	630,625	-	-	580,905	-	-	1,211,530	1,001,772
State And Federal Aid Receivable	386,789	353,244	19,988	25,209	-	-	785,230	883,063
Due From Other Governments	428,871	-	-	-	-	-	428,871	351,525
Inventories	-	-	13,562	-	-	-	13,562	12,980
TOTAL ASSETS	\$ 13,164,742	\$ 450,838	\$ 278,624	\$ 4,259,135	\$ 1,747,984	-	\$ 19,901,323	\$ 22,172,773

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	NON-MAJOR FUND	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS	2018 TOTALS
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 332,842	\$ 25,770	\$ 569	\$ 51,125	\$ -	-	\$ 410,306	\$ 572,634
Accrued Liabilities	110,253	-	-	-	-	-	110,253	122,990
Due To Other Governments	1,175,355	725	74	-	-	-	1,176,154	425,050
Due To Other Funds	580,905	423,917	41,577	-	-	-	1,046,399	913,955
Due To Teachers' Retirement System	1,146,687	-	-	-	-	-	1,146,687	1,040,997
Due To Employees' Retirement System	199,924	-	7,757	-	-	-	207,681	208,493
Unearned Revenues	-	426	7,689	-	-	-	8,115	10,607
TOTAL LIABILITIES	3,545,966	450,838	57,666	51,125	-	-	4,105,595	3,294,726
FUND BALANCES								
Nonspendable:								
Inventory	-	-	13,562	-	-	-	13,562	12,980
Restricted:								
Capital	1,733,888	-	-	-	-	-	1,733,888	1,726,552
Repairs	82,959	-	-	-	-	-	82,959	82,490
Retirement Contribution	808,648	-	-	-	-	-	808,648	802,730
Tax Certiorari	331,649	-	-	-	-	-	331,649	326,349
Unemployment Insurance	96,014	-	-	-	-	-	96,014	145,189
Mandatory Reserve for Debt Service	1,048,036	-	-	-	-	-	1,048,036	1,219,977
Workers' Compensation	557,232	-	-	-	-	-	557,232	654,374
Employee Benefit Accrued Liability	496,491	-	-	-	-	-	496,491	561,715
Assigned:								
Encumbrances	527,924	-	-	-	-	-	527,924	505,307
Appropriated	2,400,000	-	-	-	-	-	2,400,000	2,652,511
Unappropriated	-	-	207,396	4,208,010	1,747,984	-	6,163,390	8,682,667
Unassigned	1,535,935	-	-	-	-	-	1,535,935	1,505,206
TOTAL FUND BALANCES	9,618,776	-	220,958	4,208,010	1,747,984	-	15,795,728	18,878,047
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,164,742	\$ 450,838	\$ 278,624	\$ 4,259,135	\$ 1,747,984	-	\$ 19,901,323	\$ 22,172,773

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
Total Governmental Fund Balances	\$ 15,795,728	\$ 18,878,047
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at June 30, 2019 are \$57,511,630 and \$21,704,326, respectively.	35,807,304	34,228,310
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Net Pension Asset	1,127,897	
Deferred Outflows of Resources	6,703,109	
Net Pension Liability	(640,614)	
Deferred Inflows of Resources	<u>(1,627,922)</u>	5,562,470
		5,414,569
Long-term asset and liability associated with the Total OPEB Liability are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	2,154,757	
Deferred Inflows of Resources	(14,922,513)	
Total OPEB Liability	<u>(74,830,997)</u>	(87,598,753)
		(94,362,168)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated Absences	(563,750)	
Serial Bonds	(14,660,000)	
Retirement Incentive	<u>(100,000)</u>	(15,323,750)
		(17,990,103)
Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.	<u>(81,311)</u>	<u>(93,654)</u>
Net Position of Governmental Activities	<u>\$ (45,838,312)</u>	<u>\$ (53,924,999)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	NON-MAJOR FUND					TOTAL GOVERNMENTAL FUNDS	2018 TOTALS
	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>		
REVENUES						\$ 16,214,894	\$ 15,828,002
Real Property Taxes	\$ 16,214,894	\$ -	\$ -	\$ -	\$ -	2,027,303	2,028,768
Other Tax Items	2,027,303	-	-	-	-	132,983	54,443
Charges For Services	132,983	-	-	-	-		
Use Of Money And Property	140,861	-	-	-	89,615	230,476	122,837
Sale Of Property And Compensation For Loss	19,916	-	-	-	-	19,916	28,729
Miscellaneous Local Sources	582,377	473	156	-	-	583,006	867,131
State Sources	15,776,421	141,150	7,552	125,000	-	16,050,123	15,900,810
Federal Sources	45,655	748,962	249,906	-	-	1,044,523	1,013,504
Sales	-	-	184,955	-	-	184,955	180,124
TOTAL REVENUES	34,940,410	890,585	442,569	125,000	89,615	36,488,179	36,024,348
OTHER SOURCES							
Interfund Transfers In	<u>250,000</u>	<u>56,787</u>	<u>493</u>	<u>350,000</u>	<u>3,403,350</u>	<u>4,060,630</u>	<u>7,659,910</u>
TOTAL REVENUES AND OTHER SOURCES	<u>35,190,410</u>	<u>947,372</u>	<u>443,062</u>	<u>475,000</u>	<u>3,492,965</u>	<u>40,548,809</u>	<u>43,684,258</u>
EXPENDITURES							
General Support	3,631,334	-	-	-	-	3,631,334	3,749,624
Instruction	16,753,537	818,474	-	-	-	17,572,011	16,492,024
Pupil Transportation	2,017,069	24,310	-	-	-	2,041,379	1,918,316
Employees Benefits	9,541,464	104,588	72,177	-	-	9,718,229	9,059,676
Debt Services:							
Principal	-	-	-	-	2,565,000	2,565,000	2,465,000
Interest	-	-	-	-	838,350	838,350	950,800
Cost Of Sales	-	-	378,987	-	-	378,987	381,880
Capital Outlay	-	-	-	2,825,208	-	2,825,208	499,068
TOTAL EXPENDITURES	31,943,404	947,372	451,164	2,825,208	3,403,350	39,570,498	35,516,388
OTHER USES							
Interfund Transfers Out	<u>3,810,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>4,060,630</u>	<u>7,659,910</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

						TOTAL GOVERNMENTAL FUNDS	2018 TOTALS
	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	NON-MAJOR FUND DEBT SERVICE		
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 35,754,034</u>	<u>\$ 947,372</u>	<u>\$ 451,164</u>	<u>\$ 2,825,208</u>	<u>\$ 3,653,350</u>	<u>\$ 43,631,128</u>	<u>\$ 43,176,298</u>
NET CHANGE IN FUND BALANCES	(563,624)	-	(8,102)	(2,350,208)	(160,385)	(3,082,319)	507,960
FUND BALANCE – Beginning Of Year	<u>10,182,400</u>	<u>-</u>	<u>229,060</u>	<u>6,558,218</u>	<u>1,908,369</u>	<u>18,878,047</u>	<u>18,370,087</u>
FUND BALANCE – End Of Year	<u>\$ 9,618,776</u>	<u>\$ -</u>	<u>\$ 220,958</u>	<u>\$ 4,208,010</u>	<u>\$ 1,747,984</u>	<u>\$ 15,795,728</u>	<u>\$ 18,878,047</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
Total Net Change in Fund Balances – Governmental Funds	\$ (3,082,319)	\$ 507,960
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation Expenses	(1,329,934)	
Capital Outlay	<u>2,946,672</u>	1,616,738
		(804,373)
Repayments of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Serial Bonds	2,565,000	2,465,000
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		
Compensated Absences	111,353	
Retirement Incentives	<u>(10,000)</u>	101,353
		20,543
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	(253,988)	
Employees' Retirement System	<u>401,889</u>	147,901
		(206,842)
(Increases) decreases in total OPEB Liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Total OPEB Liability	6,763,415	(1,369,399)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

(Continued)

		<u>2019</u>	<u>2018</u>
In the governmental funds, the gross proceeds from the sale of assets are reported as revenues. In the statement of activities, the revenues are reduced by the net book value of the disposed asset.		\$ (37,744)	\$ -
In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.			
Current Year Accrued Interest	(81,311)		
Prior Year Accrued Interest	<u>93,654</u>	<u>12,343</u>	<u>11,885</u>
Change in Net Position of Governmental Activities		<u>\$ 8,086,687</u>	<u>\$ 624,776</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	PRIVATE PURPOSE <u>TRUST FUND</u>	AGENCY <u>FUND</u>
ASSETS		
Cash And Cash Equivalents	\$ 188,431	\$ 301,713
Accounts Receivable	<u>-</u>	<u>2,131</u>
TOTAL ASSETS	<u>188,431</u>	<u>\$ 303,844</u>
LIABILITIES		
Extraclassroom Activity Balances	-	\$ 52,694
Agency Liabilities	-	86,019
Due To Governmental Funds	<u>-</u>	<u>165,131</u>
TOTAL LIABILITIES	<u>-</u>	<u>\$ 303,844</u>
Reserved For Scholarships	<u>\$ 188,431</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019

	PRIVATE PURPOSE <u>TRUST FUND</u>
ADDITIONS	
Gifts And Contributions	\$ 1,800
Investment Earnings	<u>2,769</u>
TOTAL ADDITIONS	<u>4,569</u>
DEDUCTIONS	
Scholarships Awarded	<u>7,410</u>
TOTAL DEDUCTIONS	<u>7,410</u>
Change In Net Position	(2,841)
NET POSITION – Beginning Of Year	<u>191,272</u>
NET POSITION – End Of Year	<u>\$ 188,431</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sullivan West Central School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

The Sullivan West Central School District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise School District operations, and are governed by, or significantly influenced by, the Board of Education.

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

The financial reporting entity includes all funds, account groups, functions and organizations over which the School District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

1. Included in the Reporting Entity

Based on the foregoing criteria and the significant factors presented below, the following organizations, functions or activities are included in the reporting entity:

a. The Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the Sullivan West Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. The cash balances are reported in the Agency Fund of the School District. Separate audited general purpose financial statements (cash basis) of the extraclassroom activity funds can be found within these financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Joint Venture

The Sullivan West Central School District is one of the eight component school districts in the Sullivan County Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of School Districts in a geographic area that share planning, services, and programs which provide educational and support activities.

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

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

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

C. Basis of Presentation

1. District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the overall District, 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.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Fund financial statements:

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

The District reports the following major governmental funds:

a. *General Fund*

The General Fund is the principal operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

b. *Special Revenue Fund*

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

1. Special Aid Fund – used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.
2. School Lunch Fund – used to account for transactions of the School District lunch, breakfast, and milk programs.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. *Capital Projects Fund*

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment

The District reports the following non-major governmental funds.

a. *Debt Service Fund*

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

Additionally, the District reports the following fund type:

a. *Fiduciary Fund*

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. The District reports the following Fiduciary Funds:

Private Purpose Trust Fund

These funds are used to account for trust arrangements in which principal and income benefit third parties and/or 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.

Agency Fund

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.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting/Measurement Focus

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

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

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

E. Property Taxes

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1st, and become a lien on September 1st. Taxes are collected during the period commencing September 1st and ending November 6th.

2. Enforcement

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. **Budgetary Procedures And Budgetary Accounting**

1. **Budget Policies**

The budget policies are as follows:

- a. The School District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund types:

I. General Fund

- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the program level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. There were no supplemental appropriations authorized during the year.

2. **Encumbrances**

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year. Encumbrances are reported as assigned fund balance in the General Fund.

3. **Budget Basis of Accounting**

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. **Cash and Cash Equivalents**

For financial statement purposes, the District considers all highly liquid investments of three months or less as cash equivalents.

H. **Inventory**

Inventories of food and/or supplies in the School Lunch Fund are recorded at cost or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase.

I. **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 be immaterial.

J. **Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the District is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Buildings and Improvements	25-50
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. **Unearned Revenue**

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

L. **Vested Employee Benefits**

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach retirement age while working for the District.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 in the year paid. In the District-wide statements, the liability is reported at actuarially calculated amounts (See Note 10).

M. **Interfund Activity**

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

N. **Equity Classifications**

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, construction or improvement of those assets.

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

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

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the District and determine which classification of net position will be charged.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$13,562.

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 restricted fund balances:

Mandatory Reserve For Debt Service

According to General Municipal Law Section 6-1, the Mandatory Reserve for Debt service must be established 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 the sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the General Fund.

Capital

Used to pay the cost of any object or purpose for which bonds may be issued. Voter authorization is required for both establishment of the reserve and payments from the reserve. This reserve is accounted for in the General Fund.

Unemployment Insurance

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. This reserve is accounted for in the General Fund.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Certiorari

This reserve is used to accumulate funds to pay judgments and claims anticipated from tax certiorari proceedings. Any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

Workers' Compensation

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

Repair

Used to pay the cost of repairs to capital improvements or equipment. The Board of Education may establish the reserve by majority vote. Voter approval is required to fund the reserve and expenditures may only be made after a public hearing. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

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

Retirement Contribution

Used to pay contributions to the NYS Employee Retirement System. This reserve is accounted for in the General Fund.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the District's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Board of Education is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The District has no committed fund balances as of June 30, 2019.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority, or by their designated official. The purpose of the assignment 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 generally includes encumbrances in the General Fund and appropriated fund balance. The Board of Education is the decision making authority that can, by resolution, assign fund balance. The District reported encumbrances of \$527,924 as assigned fund balance in the General Fund as of June 30, 2019.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. **New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2019, the District implemented the following new standards issued by GASB:

GASB 83 – *Certain Asset Retirement Obligations*

GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

Q. **Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 84 – *Fiduciary Activities*, effective for the year ending June 30, 2020.

GASB 87 – *Leases*, effective for the year ending June 30, 2021.

GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2021.

GASB 90 – *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, effective for the year ending June 30, 2020.

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

R. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience. The District reports \$6,703,109 in deferred outflows of resources related to pensions and \$ 2,154,757 in deferred outflows of resources related to the Total OPEB Liability as of June 30, 2019.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs. The District reports \$ 1,627,922 in deferred inflows of resources related to pensions and \$14,922,513 in deferred inflows of resources related to the Total OPEB Liability as of June 30, 2019.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$5,075,187 to unrestricted net position as of June 30, 2019.

The reporting of deferred outflows of resources and deferred inflows of resources related to the Total OPEB Liability resulted in a net decrease of \$12,767,756 to unrestricted net position as of June 30, 2019.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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 differs from net position of governmental activities reported in the Statement of Net Position. The difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

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 report revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences:

Capital related differences include the differences 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.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

3. Long-term debt transaction differences:

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

NOTE 3 – PARTICIPATION IN BOCES

During the year ended June 30, 2019, the Sullivan West Central School District was billed \$4,847,753 for BOCES administrative and program costs. General purpose financial statements for Sullivan County are available from the BOCES administrative office at 6 Weirk Avenue, Liberty, NY 12754.

The School District's share of BOCES income amounted to \$753,712.

NOTE 4 – CASH AND INVESTMENTS

The Sullivan West Central School District investment policies are governed by State statutes. In addition the District has its own written investment policy. Sullivan West Central School District monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit.

Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and states other than New York and their municipalities and school districts.

The District's aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the District's name: \$ 6,779,947

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS/ RECLASSIFICATIONS	ENDING BALANCE
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 50,471	\$ -	\$ -	\$ 50,471
Construction in Progress	<u>847,982</u>	<u>2,830,540</u>	<u>39,744</u>	<u>3,638,778</u>
Total non-depreciable historical cost	<u>898,453</u>	<u>2,830,540</u>	<u>39,744</u>	<u>3,689,249</u>
Capital assets that are depreciated:				
Building and Improvements	50,713,092	34,414	-	50,747,506
Infrastructure	1,001,501	-	-	1,001,501
Machinery and Equipment	1,853,641	57,294	4,002	1,906,933
Vehicles	<u>181,524</u>	<u>26,424</u>	<u>41,507</u>	<u>166,441</u>
Total depreciable historical cost	<u>53,749,758</u>	<u>118,132</u>	<u>45,509</u>	<u>53,822,381</u>
Less accumulated depreciation:				
Building and Improvements	18,767,486	1,199,526	-	19,967,012
Infrastructure	175,264	25,038	-	200,302
Machinery and Equipment	1,302,500	101,639	4,002	1,400,137
Vehicles	<u>174,651</u>	<u>3,731</u>	<u>41,507</u>	<u>136,875</u>
Total Accumulated Depreciation	<u>20,419,901</u>	<u>1,329,934</u>	<u>45,509</u>	<u>21,704,326</u>
Total historical cost, net	<u>\$ 34,228,310</u>	<u>1,618,738</u>	<u>\$ 39,744</u>	<u>\$ 35,807,304</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		21,616		
Instruction		1,303,369		
School Lunch Program		<u>4,949</u>		
		<u>\$ 1,329,934</u>		

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2019 are as follows:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE	INTERFUND REVENUES	INTERFUND EXPENDITURES
General Fund	\$ 630,625	\$ 580,905	\$ 250,000	\$ 3,810,630
Special Aid Fund	-	423,917	56,787	-
Capital Fund	580,905	-	350,000	-
Debt Service Fund	-	-	3,403,350	250,000
School Lunch Fund	-	<u>41,577</u>	<u>493</u>	-
Total Governmental Activities	<u>1,211,530</u>	<u>1,046,399</u>	<u>4,060,630</u>	<u>4,060,630</u>
Agency Fund	-	-	-	-
Private Purpose Trust Fund	-	<u>165,131</u>	-	-
Total Fiduciary Funds	-	<u>165,131</u>	-	-
TOTALS	<u>\$ 1,211,530</u>	<u>\$ 1,211,530</u>	<u>\$ 4,060,630</u>	<u>\$ 4,060,630</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – INTERFUND TRANSACTIONS (Continued)

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically transfers funds from the General Fund to the Debt Service Fund to make debt service payments and to the Special Aid Fund to cover expenses that are not reimbursed by Federal or State Grants.

The District transfers investment income earned in the Capital Projects Fund to the Debt Service Fund for the purpose of making future debt service payments.

The District typically loans resources between funds for the purpose of relieving cash flow issues.

NOTE 7 – INVENTORY

Inventory in the School Lunch Fund at June 30, 2019 consisted of the following:

Food	\$ 11,701
Supplies	<u>1,861</u>
	<u>\$ 13,562</u>

NOTE 8 - LIABILITIES

A. Pension Plans and Post-Employment Benefits

1. General Information

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – LIABILITIES (Continued)

2. Plan Descriptions

a. Teachers' Retirement System (TRS)

As an employer, you make contributions to the New York State Teachers' Retirement System, a cost sharing, multiple employer defined benefit pension plan administered by the New York State Teachers' Retirement Board.

The System provides benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and Social Security Law of the State of New York. The New York State TRS issued a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

b. Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYRSSL). The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

3. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and prior to January 1, 2010, with less than ten years of service, are required to contribute 3% of their salary.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – LIABILITIES (Continued)

Those joining the NYSERS on or after January 1, 2010 and before April 1, 2012, contribute 3% of their salary throughout their entire working career. Those joining after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, dependent upon their salary, for their entire working career.

Those joining the NYSTRS on or after January 1, 2010 and before April 1, 2012 contribute 3.5% of their salary throughout their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent on their salary, for their entire working career.

For the NYSTRS, employers are required to contribute at an actuarially determined rate, currently 10.62% of the annually covered payroll for the fiscal year ended June 30, 2018. Rates applicable to the fiscal years ended June 30, 2018 and 2017, were 9.80% and 11.72%, respectively. For the NYSERS, the NYS Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>TRS</u>
2019	\$ 428,452	\$ 1,097,697
2018	432,842	995,692
2017	418,301	1,193,834

B. Indebtedness

1. Long-Term Debt

a. Long-Term Debt Interest

Interest Expense on long-term debt consisted of the following:

Interest Paid	\$ 838,350
Less: Interest Accrued in the Prior Year	(93,654)
Plus: Interest Accrued in the Current Year	<u>81,310</u>
Total Expense	<u>\$ 826,006</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – LIABILITIES (Continued)

b. Changes

The changes in the School District's indebtedness during the year ended June 30, 2019 are summarized as follows:

	BALANCE 07/01/18	ADDITIONS	DELETIONS	BALANCE 06/30/19	AMOUNTS DUE WITHIN ONE YEAR
Serial Bonds	\$ 17,225,000	\$ -	\$ 2,565,000	\$ 14,660,000	\$ 2,685,000
Compensated Absences	675,103	-	111,353	563,750	-
Total OPEB Liability	87,035,903	5,657,011	17,861,917	74,830,997	2,200,000
Retirement Incentives	90,000	80,000	70,000	100,000	60,000
TOTAL	<u>\$ 105,026,006</u>	<u>\$ 5,737,011</u>	<u>\$ 20,608,270</u>	<u>\$ 90,154,747</u>	<u>\$ 4,945,000</u>

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

c. Maturity

The following is a summary of maturity of indebtedness:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING 06/30/18</u>
Refunded Bond	2012	2024	2.00%-5.00%	\$ 6,385,000
Refunded Bond	2011	2024	2.00%-5.00%	<u>8,275,000</u>
				<u>\$ 14,660,000</u>

The following is a summary of maturing debt service requirements.

<u>YEAR</u>	<u>General Obligations</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2020	\$ 2,685,000	\$ 721,300
2021	2,795,000	598,750
2022	2,925,000	459,000
2023	3,060,000	312,750
2024	<u>3,195,000</u>	<u>159,750</u>
TOTAL	<u>\$ 14,660,000</u>	<u>\$ 2,251,550</u>

2. Short-Term Debt

The District had no short-term debt activity for the years ended June 30, 2019 or 2018.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. **Risk Financing and Related Insurance**

The Sullivan West Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

B. **Tax Certiorari Proceedings**

The District may be liable for refunds related to tax assessment reviews brought on by various taxpayers. Individually, these claims would not have a material impact on the financial statements. However, in the aggregate, if settled unfavorably, they may be material to the financial statements. The outcome cannot be reasonably estimated at this time. The District has funded its Tax Certiorari Reserve to be prepared in the event of unfavorable outcomes.

C. **Other Items**

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

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

The District provides post employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

General Information about the OPEB Plan

Plan Description - The healthcare plan is a defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Benefits Provided – The District provides eligible actives, retirees and dependents post-employment medical and prescription drug coverage through a self-insured Alt-PPO plan as part of the plan. The benefit terms vary based on the union contract that governs the employee and years of service with the District. The District also reimburses the cost of Medicare Part B premiums to both retirees and spouses. Employees depending on the bargaining unit, are required to contribute towards their health insurance on a sliding scale from 25% if they retire at 55 years and at least 10 years with the District. The District contributes the full cost of benefits for all other retirees. Upon the death of a retiree, the surviving spouse will contribute 100% of the premium.

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	167
Active Employees	<u>186</u>
	<u>353</u>

Total OPEB Liability

The District's total OPEB liability of \$74,830,997 was measured as of July 1, 2018, using an actuarial valuation as of Entry Age Normal – Level Percent of Pay.

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

Actuarial Cost Method	Entry Age Normal – Level Percent Pay
Measurement Date	July 1, 2018
Long-Term Bond Rate	3.87%
Rate of Inflation	2.40%
Salary Scale	3.50%
Initial Healthcare Cost Trend Rate	7.50%
Ultimate Healthcare Cost Trend Rate	3.94%

The discount rate was based on a 20 year high quality tax exempt municipal bond index.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Mortality rates were based on the RPH – 2014 SOA Mortality Table for employees, sex distinct, with generational adjusted to 2006 using scale MP-2014 and projected forward with scale MP-2018.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2018- December 31, 2018.

Changes in the Total OPEB Liability

Balance at July 1, 2018	\$ 87,035,903
Changes for the Year -	
Service Cost	2,472,225
Interest	3,184,786
Changes of Benefit Terms	(5,649,464)
Differences between expended and actual experience	(8,140,867)
Changes in assumptions or other inputs	(1,987,889)
Expected Benefit Payments	<u>(2,083,697)</u>
Net Changes	<u>(12,204,906)</u>
Balance at June 30, 2019	<u>\$ 74,830,997</u>

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 (2.87%) or 1 – percentage point higher (4.87%) than the current discount rate:

	1% Decrease <u>(2.87%)</u>	Current Assumption <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Total OPEB Liability	<u>\$ 87,011,154</u>	<u>\$ 74,830,997</u>	<u>\$ 64,864,144</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends 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 healthcare cost trend rates that are 1 percentage point lower than lower 1 percentage point higher than the current discount rate:

	1% Decrease <u></u>	Current Assumption <u></u>	1% Increase <u></u>
Total OPEB Liability	<u>\$ 65,767,885</u>	<u>\$ 74,830,997</u>	<u>\$ 86,550,199</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$4,608,658. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,469,231
Changes of assumptions or other inputs	-	8,453,282
Employer contributions subsequent to the measurement date.	<u>2,154,757</u>	<u>-</u>
Total	<u>\$ 2,154,757</u>	<u>\$ 14,922,513</u>

District contributions subsequent to the measurement date of \$ 2,154,757 will be recognized as a reduction in the total OPEB Liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	\$ (4,616,205)
2021	(4,616,205)
2022	(3,880,655)
2023	(1,809,448)
Thereafter	<u>-</u>
TOTAL	<u>\$ (14,922,513)</u>

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) are included in Note 8-A to the financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

At June 30, 2019, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2018	June 30, 2017
Net pension asset/(liability)	\$ (640,614)	\$ 1,127,897
District's portion of the Plan's total net pension asset/(liability)	0.0090414%	0.062375%

For the year ended June 30, 2019, the District recognized pension expense of \$471,697 for ERS and \$907,067 for TRS. At June 30, 2019, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 126,150	\$ 842,869	\$ 43,003	\$ 152,676
Changes of assumptions	161,024	3,942,741	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	164,417	1,252,052
Changes in proportion and differences between the District's contributions and proportionate share of contributions	124,872	200,076	7,495	8,279
District's contributions subsequent to the measurement date	<u>207,680</u>	<u>1,097,697</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 619,726</u>	<u>\$ 6,083,383</u>	<u>\$ 214,915</u>	<u>\$ 1,413,007</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

District contributions subsequent to the measurement date \$207,680 for ERS and \$1,097,697 for TRS will be recognized as a reduction of the net pension liability in the year June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2019	\$ 174,134	\$ 1,162,240
2020	(90,715)	799,274
2021	12,604	112,658
2022	101,108	796,617
2023	-	553,467
Thereafter	<u>-</u>	<u>148,423</u>
TOTAL	<u>\$ 197,131</u>	<u>\$ 3,572,679</u>

Actuarial Assumptions

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

The valuations used the following significant actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest rate	7.0%	7.5%
Salary scale	4.2%	1.90%-4.72%
Decrement tables	April 1, 2010-March 31, 2015 System's Experience	July 1, 2009-June 30, 2014 System's Experience
Inflation rate	2.5%	2.25%

For ERS, annuitant mortality rates are based on April 1, 2010-March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014, applied on a generational basis.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

For ERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009-June 30, 2014.

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Asset Type:		
Domestic Equity	4.55%	5.8%
International Equity	6.35	7.3
Global Equities	-	6.7
Real Estate	5.55	4.9
Alternative Investments	3.75 – 5.68	-
Domestic fixed income securities	-	1.3
Global fixed income securities	-	0.9
Bonds and Mortgages	1.31	2.8
Short-term	1.00	0.3
Private Equities	7.50	8.9
Private Debt	-	6.8
High Yield Fixed Income Securities	-	3.5

Discount Rate

The discount rate used to calculate the total pension liability was 7.00% for ERS and 7.25% 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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00% for ERS and 7.25% for TRS, as well as what the District's proportionate share of the net position asset /(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.00% for ERS and 6.25% for TRS) or 1-percentagepoint higher (8.00% for ERS and 8.25% for TRS) than the current rate:

<u>ERS</u>	1% Decrease (<u>6.0%</u>)	Current Assumption (<u>7.0%</u>)	1% Increase (<u>8.0%</u>)
Employer's proportionate share of the net pension asset (liability)	\$ (2,800,865)	\$ (640,614)	\$ 1,174,151
<u>TRS</u>	1% Decrease (<u>6.25%</u>)	Current Assumption (<u>7.25%</u>)	1% Increase (<u>8.25%</u>)
Employer's proportionate share of the net pension asset (liability)	\$ (7,748,839)	\$ 1,127,897	\$ 8,564,136

Pension Plan Fiduciary Net Position

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

Valuation date	<u>ERS (in thousands)</u> April 1, 2018	<u>TRS</u> June 30, 2017
Employers' total pension asset/(liability)	\$ (189,803,429)	\$ (118,107,253,288)
Plan Net Position	<u>182,718,124</u>	<u>119,915,517,622</u>
Employer's net pension asset/(liability)	<u>\$ (7,085,305)</u>	<u>\$ 1,808,264,334</u>
Ration of plan net position to the Employer's total pension asset/(liability)	96.27%	101.53%

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions represent the projected employer contribution for the period of April 1 through June 30, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to \$207,680.

For TRS, employer and employee contributions for the fiscal year ended June 30 are paid to the System in September, October, and November through a state aid intercept. Accrued retirement contributions as of June 30th, represent employee and employer contributions for the fiscal year ended June 30 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to \$1,146,687.

NOTE 12 – EVENTS OCCURRING AFTER REPORTING DATE

The District has evaluated events and transactions that occurred between June 30, 2019 and October 4, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 13 – TAX ABATEMENTS

The District is subject to a tax abatement agreement entered into by the Sullivan County Industrial Development Agency and the Delaware County Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended June 30, 2019, the District received \$230,962 in tax abatement payments, which resulted in abated property taxes totaling \$90,752.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES,
OTHER USES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2017)

REVENUES	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUALS
Local Sources:					
Real Property Taxes	\$ 16,178,933	\$ 16,178,933	\$ 16,214,894	\$ 35,961	\$ 15,828,002
Other Tax Items	2,003,060	2,003,060	2,027,303	24,243	2,028,768
Charges For Services	25,000	25,000	132,983	107,983	54,443
Use Of Money And Property	45,000	45,000	140,861	95,861	114,405
Sale Of Property And Compensation For Loss	500	500	19,916	19,416	28,729
Miscellaneous Local Sources	200,000	200,000	582,377	382,377	861,629
State Sources:					
Basic Formula	14,170,049	14,170,049	13,743,738	(426,311)	13,485,199
Lottery Aid	924,635	924,635	987,472	62,837	977,417
BOCES	886,376	886,376	753,712	(132,664)	780,884
Other	95,665	94,665	291,499	196,834	348,800
Federal Sources	-	-	45,655	45,655	15,853
TOTAL REVENUES	34,529,218	34,528,218	34,940,410	412,192	34,524,129
OTHER SOURCES	250,000	250,000	250,000	-	-
Interfund Transfers					
TOTAL REVENUES AND OTHER SOURCES	34,779,218	34,778,218	35,190,410	\$ 412,192	34,524,129
FUND BALANCE					
Appropriated Reserves	199,445	212,168			
Appropriated Fund Balance	2,652,511	2,652,511			
Prior Year Encumbrances	-	505,307			
TOTAL FUND BALANCE	2,851,956	3,369,986			
TOTAL REVENUES, OTHER FINANCING AND FUND BALANCE	\$ 37,630,174	\$ 38,148,204			

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES,
OTHER USES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2018)

EXPENDITURES	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	ENCUMBRANCES	UNENCUMBERED BALANCES	2018 ACTUALS
General Support:						
Board Of Education	\$ 80,850	\$ 92,211	\$ 57,390	\$ 677	\$ 34,144	\$ 71,929
Central Administration	292,083	292,803	259,742	750	32,311	279,279
Finance	654,269	624,965	544,488	28,319	52,158	578,100
Staff	168,150	155,220	131,343	-	23,877	124,673
Central Services	2,629,330	2,630,112	2,032,793	110,256	487,063	2,121,001
Special Items	658,500	628,900	605,578	-	23,322	574,642
Instructional:						
Instruction, Administration And Improvement	889,262	895,176	838,067	920	56,189	807,159
Teaching:						
Regular School	8,330,829	8,298,456	8,009,690	46,111	242,655	8,024,131
Programs For Children With Handicapped						
Conditions	4,294,077	4,919,646	4,568,071	174,324	177,251	3,718,529
Occupational Education	683,708	747,708	747,194	-	514	590,035
Special School	49,389	48,645	28,142	-	20,503	27,093
Instructional Media	1,176,253	1,289,475	1,185,114	47,912	56,449	1,147,990
Pupil Services	1,437,031	1,494,272	1,377,259	18,655	98,358	1,284,291
Pupil Transportation	2,129,102	2,140,185	2,017,069	-	123,116	1,898,958
Community Services	5,400	5,400	-	-	5,400	-
Employee Benefits	10,347,091	10,060,657	9,541,465	100,000	419,192	8,945,018
TOTAL EXPENDITURES	33,825,324	34,323,831	31,943,405	527,924	1,852,502	30,192,828
OTHER USES						
Interfund Transfers Out	3,804,850	3,824,373	3,810,629	-	13,744	7,659,910
TOTAL EXPENDITURES AND OTHER USES	\$ 37,630,174	\$ 38,148,204	35,754,034	\$ 527,924	\$ 1,866,246	37,852,738
NET CHANGE IN FUND BALANCE			(563,624)			(3,328,609)
FUND BALANCE - Beginning Of Year			10,182,400			13,511,009
FUND BALANCE - End Of Year			\$ 9,618,776			\$ 10,182,400

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Service Cost	\$ 2,472,225	\$ 3,225,888
Interest	3,184,786	2,769,682
Changes of Benefit Terms	(5,649,464)	-
Differences Between Expected and Actual Experience	(8,140,867)	-
Changes of Assumptions	(1,987,889)	(11,946,340)
Benefit Payments	<u>(2,083,697)</u>	<u>(1,938,475)</u>
Net Change in Total OPEB Liability	(12,204,906)	(7,889,245)
Beginning Total OPEB Liability	<u>87,035,903</u>	<u>94,925,148</u>
Ending Total OPEB Liability	<u>\$ 74,830,997</u>	<u>\$ 87,035,903</u>
Covered Employee Payroll	<u>\$ 12,665,186</u>	<u>\$ 13,890,571</u>
Total OPEB Liability as a Percentage of Covered Payroll	591%	627%

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

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Changes of Benefit Terms

Medicare Part B premium reimbursement is now subjected to a capped reimbursement amount monthly depending on the member's group and date of retirement. The District share of the premium for the Confidential Staff's first year of retirement changed from 93% to 100% of the premium.

Changes in Experience

Demographic (gain)/loss comes from many sources, such as rates of termination, retirement, and election of health care benefits. Some demographic shifts occurred between 2016 and 2018. There is 1 more active employee and 2 fewer retirees in this valuation. Between 2016 & 2018, 8 actives retired, 19 less than assumed. Between 2016 & 2018, 9 actives withdrew, 9 more than assumed. Of these members, 5 were eligible to retire with medical coverage through the District.

Health cost (gain)/loss estimates the effect of actual health cost trend compared with projections in the July 1, 2016 valuation. On average, claims costs are about 13% greater than assumed trend for pre-65 members and 9% less than expected for post-65 members.

Health plan premiums are approximately match expected trend.

Changes of Assumptions or Other Inputs

The change in the discount rate is as follows:

June 30, 2016 Measurement Date:	2.85%
June 30, 2017 Measurement Date:	3.60%
June 30, 2018 Measurement Date:	3.87%

Updated the mortality tables to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2018. Updated the New York State Retirement System rates for withdrawals and retirements.

The Getzen trend table was updated for 2019 and includes adjustments for the PPACA Excise Tax.

Trust Assets

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
YEAR ENDED JUNE 30, 2019

TRS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension asset (liability)	0.062375%	0.064280%	0.064531%	0.064378%	0.067972%
The District's proportionate share of the net pension asset (liability)	\$ 1,127,897	\$ 448,594	\$ (691,149)	\$ 6,686,744	\$ 7,571,701
The District's covered employee payroll	10,160,123	10,186,301	9,957,708	9,670,378	10,040,582
The District's proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	11.10%	4.40%	6.94%	69.15%	75.41%
Plan Fiduciary net position as a percentage of the total pension liability	101.53%	100.66%	99.01%	110.46%	111.48%

ERS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension liability	0.0090414%	0.0090650%	0.0092540%	0.0086404%	0.008683%
The District's proportionate share of the net pension liability	\$ (640,614)	\$ (292,568)	\$ (869,531)	\$ (1,386,801)	\$ (299,322)
The District's covered employee payroll	2,861,850	2,730,135	2,589,429	2,331,961	2,380,934
The District's proportionate share of the net pension liability as a percentage of covered employee payroll	22.38%	10.72%	33.58%	59.47%	12.57%
Plan Fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.7%	90.7%	97.9%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2019

TRS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 1,097,697	\$ 995,692	\$ 1,193,834	\$ 1,320,392	\$ 1,695,217	\$ 1,631,594	\$ 1,166,767	\$ 1,096,848	\$ 1,046,516	\$ 873,973	N/A
Contribution in relation to the contractually required contribution	<u>1,097,697</u>	<u>995,692</u>	<u>1,193,834</u>	<u>1,320,392</u>	<u>1,695,217</u>	<u>1,631,594</u>	<u>1,166,767</u>	<u>1,096,848</u>	<u>1,046,516</u>	<u>873,973</u>	N/A
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Contribution as a percentage of covered employee payroll	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%	11.11%	8.62%	6.19%	7.63%

ERS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 428,452	\$ 432,842	\$ 418,301	\$ 448,339	\$ 417,105	\$ 485,817	\$ 452,207	\$ 380,171	\$ 277,386	\$ 171,939	N/A
Contribution in relation to the contractually required contribution	<u>428,452</u>	<u>432,842</u>	<u>418,301</u>	<u>448,339</u>	<u>417,105</u>	<u>485,817</u>	<u>452,207</u>	<u>380,171</u>	<u>277,386</u>	<u>171,939</u>	N/A
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Contribution as a percentage of covered employee payroll	14.97%	15.89%	16.15%	19.23%	17.52%	20.97%	N/A	N/A	N/A	N/A	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
GENERAL FUND
YEAR ENDED JUNE 30, 2019

ADOPTED BUDGET	\$ 37,630,174
ADDITIONS:	
Encumbrances From Prior Year	505,307
Appropriated Reserves	<u>12,723</u>
FINAL BUDGET	<u>\$ 38,148,204</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
REAL PROPERTY TAX LIMIT
YEAR ENDED JUNE 30, 2019

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2019-2020 Voter Approved Expenditure Budget		<u>\$ 38,398,347</u>
Maximum allowed (4% of Budget)		<u>\$ 1,535,934</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 2,927,924	
Unassigned Fund Balance	<u>1,535,935</u>	
Total Unrestricted Fund Balance		4,463,859
Less:		
Appropriated Fund Balance	2,400,000	
Encumbrances included in Assigned Fund Balance	<u>527,924</u>	
Total Adjustments		<u>2,927,924</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		<u>\$ 1,535,935</u>
Actual Percentage		4.00%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

PROJECT TITLE	ORIGINAL APPROPRIATIONS	REVISED APPROPRIATIONS	EXPENDITURES		METHODS OF FINANCING				FUND BALANCE JUNE 30, 2019	
			PRIOR YEARS	CURRENT YEARS	TOTAL	UNEXPENDED BALANCE	LOCAL SOURCES	STATE SOURCES		TOTAL
High School Drainage	\$ 450,000	\$ 1,317,354	\$ 1,175,771	\$ -	\$ 1,175,771	\$ 141,583	\$ 1,317,357	\$ -	\$ 1,317,357	\$ 141,586
Elementary School Roof	1,600,000	2,100,000	2,065,927	-	2,065,927	34,073	2,100,000	-	2,100,000	34,073
Storage Buildings	675,000	675,000	727,693	-	727,693	(52,693)	675,000	-	675,000	(52,693)
Capital Project	2,698,000	2,698,000	2,358,855	-	2,358,855	339,145	2,698,000	-	2,698,000	339,145
Local Projects	950,000	1,075,000	964,351	1,057,985	2,022,336	(947,337)	3,261,158	125,000	3,386,158	1,363,822
Smart Schools Bond Act	425,059	425,059	131,114	-	131,114	293,945	-	131,114	131,114	-
New Roof & Temperature Control	3,799,300	4,149,300	-	1,767,223	1,767,223	2,382,077	4,149,300	-	4,149,300	2,382,077
			\$ 2,825,208							\$ 4,208,010

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2019

Capital Assets, Net	\$ 35,807,304
Less: Outstanding Bonds	<u>(14,660,000)</u>
Net Investment in Capital Assets	<u>\$ 21,147,304</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

<u>GRANTOR AGENCY</u>	<u>CFDA NUMBER</u>	<u>PASS-THROUGH GRANTORS NUMBER</u>	<u>EXPENDITURES CURRENT YEAR</u>
U.S. DEPARTMENT OF AGRICULTURE:			
Passed Through State Dept. of Education:			
National School Lunch Program	10.555	N/A	\$ 179,763
School Breakfast Program	10.553	N/A	<u>43,336</u>
Total Child Nutrition Cluster			223,099
Passed Through State Dept. of Health and Human Services:			
Commodity Supplement Food Program (Non-cash)	10.565	N/A	<u>26,807</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>249,906</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
ESEA, Title I	84.010A	021-19-3280	319,471
IDEA, Part B	84.027A	032-19-1243	306,311
IDEA, Pre-School	84.173A	033-19-1243	<u>12,568</u>
Total Special Education Cluster			<u>318,879</u>
Title II, A	84.367A	147-19-3280	65,754
Title IV, SSAE Allocation	84.424A	204-19-3280	25,697
Title VI – B	84.358B	006-19-3280	<u>19,161</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>748,962</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed Through To New York State Emergency Management Office			
Disaster Assistance Projects	97.088	N/A	<u>1,049</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>1,049</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 999,917</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Sullivan West Central School District. The Sullivan West Central School District's reporting entity is defined in Note 1 to the District's basic financial statements. All federal financial assistance passed through other governmental agencies are included on the schedule.

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

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the District's basic financial statements as follows:

Governmental Funds:	
General Fund	\$ 1,049
Special Aid Fund	748,962
School Lunch Fund	<u>249,906</u>
 TOTAL	 <u>\$ 999,917</u>

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

To the Board of Education of the
Sullivan West Central School District
Jeffersonville, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West School District, New York as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sullivan West School District, New York's basic financial statements and have issued our report thereon dated October 4, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sullivan West School District, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 result 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.



Mongaup Valley, New York
October 4, 2019

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

To the Board of Education of the
Sullivan West Central School District
Jeffersonville, New York

Report on Compliance for Each Major Federal Program

We have audited the Sullivan West Central School District, New York'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 the Sullivan West Central School District, New York's major federal programs for the year ended June 30, 2019. The Sullivan West Central School District, New York's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Sullivan West Central School District, New York'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 the Sullivan West Central School District, New York'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. Our audit does not provide a legal determination on the Sullivan West School District, New York's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Sullivan West School District, New York complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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



Mongaup Valley, New York
October 4, 2019

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on the financial statements of the Sullivan West Central School District.
2. There were no significant deficiencies disclosed during the audit of the financial statements of the Sullivan West Central School District.
3. No instances of non-compliance material to the financial statements of the Sullivan West Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of internal control over major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the Sullivan West Central School District expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported on this schedule.
7. The programs tested as major programs included:

School Lunch Program	10.555
School Breakfast Program	10.533
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Sullivan West Central School District was determined to be a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Awards Program Audit

None

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2019

No findings noted in the prior year.

INDEPENDENT AUDITORS' REPORT

To The President and Board Members of
The Board of Education
Sullivan West Central School District
Jeffersonville, New York

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis, of the Extraclassroom Activity Funds of the Sullivan West School District as of June 30, 2019, and the related statements of cash receipts, disbursements and changes in fund balance – cash basis for the year then ended, and the related notes to the financial statements, which collectively comprise the financial statements of the Extraclassroom Activity Funds of the Sullivan West School District 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 the cash basis of accounting described in Note 2; 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion of 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position – cash basis, of the Extraclassroom Activity Funds of the Sullivan West School District as of June 30, 2019, and the changes in financial position – cash basis, for the year then ended in accordance with the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 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.

This report is intended solely for the information and use of the school board governing body and management of the Extraclassroom Activity Funds of Sullivan West School District, and for filing with the various offices and agencies of the State of New York. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Morgaup Valley, New York
October 4, 2019

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE-CASH BASIS
JUNE 30, 2019

ASSETS	
Cash	<u>\$ 52,694</u>
 TOTAL ASSETS	 <u>\$ 52,694</u>
 FUND BALANCE	 <u>\$ 52,694</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE-CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

<u>ACTIVITY</u>	<u>CASH & FUND BALANCE 07/01/18</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>CASH & FUND BALANCE 06/30/19</u>
High School Campus:				
Class of 2018	\$ 608	\$ -	\$ 608	\$ -
Class of 2019	5,650	8,837	11,490	2,997
Class of 2020	2,226	12,353	8,095	6,484
Class of 2021	760	1,952	1,154	1,558
Class of 2022	21	1,719	912	828
Class of 2023	807	-	-	807
Class of 2024	3,384	2	-	3,386
Class of 2025	-	31,934	31,139	795
Student Council	3,285	4,306	4,529	3,062
Band – HS	2,232	8,626	9,468	1,390
Band – Jr. High	5	-	-	5
Chorus	2,282	2,486	2,530	2,238
Drama Club	2,679	1	-	2,680
French Club	10,901	3,980	14,251	630
Musical Production Club	7,643	8,165	7,184	8,624
National Honor Society	1,573	4,130	4,213	1,490
SADD	805	7,259	7,153	911
Sales Tax Account	787	2,003	2,118	672
Spanish Club	555	-	-	555
School Store	1,522	2,394	2,592	1,324
Video Tech Club	122	-	-	122
Yearbook	5,684	3,836	354	9,166
Jeffersonville Campus :				
Memory Books	<u>1,573</u>	<u>1,397</u>	<u>-</u>	<u>2,970</u>
TOTAL	<u>\$ 55,104</u>	<u>\$ 105,380</u>	<u>\$ 107,790</u>	<u>\$ 52,694</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - DESCRIPTION OF OPERATIONS

Student activity funds are defined by the New York State Education Department as “funds raised other than by taxation, or through charges of a Board of Education, for, by or in the name of a school, student body or any subdivision thereof.”

Activity funds are raised and expended by student bodies to promote the general welfare, education, and morale of all pupils, and to finance the normal, legitimate extracurricular activities of the student body organization.

The Superintendent of the District has responsibility and authority to implement all policies and rules pertaining to the supervision and administration of school activity funds in accordance with established policies and rules of the District’s Board of Education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The books and records of the Extraclassroom Activity Funds of Sullivan West School District are maintained on the cash basis of accounting. Consequently, receipts and related assets are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred.

Interest Income

Interest income earned on the bank account during the year has been credited to the Student Council Fund.

Bank Charges

All bank service charges have been charged to the respective activity fund.

Inactive Accounts

Account balances of inactive clubs have been transferred to the Student Council Fund.