

**WYOMING CENTRAL
SCHOOL DISTRICT**

FINANCIAL STATEMENTS

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Wyoming Central School District

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Changes in Accounting Principle

As described in Note 2 to the financial statements, the District adopted GASB Statement No. 84, *Fiduciary Activities* in 2021. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2021 on our consideration of the District's internal control over financial reporting and on 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


September 9, 2021

Management's Discussion and Analysis (unaudited)

June 30, 2021

Introduction

Management's Discussion and Analysis (MD&A) of Wyoming Central School District (the District) provides an overview of the District's financial activities and performance for the year ended June 30, 2021. The information contained in the MD&A should be considered in conjunction with the information presented in the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) fiduciary fund statements; (5) notes to the financial statements; and (6) supplementary information.

In 2021, the District adopted GASB Statement No. 84, *Fiduciary Activities*. This statement redefines activities considered to be fiduciary, and as a result, payroll, employee third party withholdings, and certain other activities are now recorded in the general fund. In addition, fiduciary activities now recognize a liability only when an event has occurred that compels the District to disburse fiduciary resources.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District's custodial fund includes property taxes levied by other entities which are collected and subsequently paid by the District and extraclassroom activity funds. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles and the New York State Education Department.

Condensed Statement of Net Position	2021	2020	Change	
			\$	%
Current and other assets	\$ 4,856,000	\$ 4,493,000	\$ 363,000	8.1%
Capital assets	8,261,000	7,089,000	1,172,000	16.5%
Total assets	13,117,000	11,582,000	1,535,000	13.3%
Deferred outflows of resources	1,338,000	1,207,000	131,000	10.9%
Long-term liabilities	3,166,000	3,531,000	(365,000)	(10.3%)
Other liabilities	1,613,000	948,000	665,000	70.1%
Total liabilities	4,779,000	4,479,000	300,000	6.7%
Deferred inflows of resources	643,000	340,000	303,000	89.1%
Net position				
Net investment in capital assets	5,851,000	5,778,000	73,000	1.3%
Restricted	2,353,000	2,127,000	226,000	10.6%
Unrestricted	829,000	65,000	764,000	1175.4%
Total net position	\$ 9,033,000	\$ 7,970,000	\$ 1,063,000	13.3%

Net position amounted to \$9,033,000 and \$7,970,000 at June 30, 2021 and 2020. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less the related debt used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used, which include reserve accounts set aside for specific purposes governed by laws and regulations. Such items include the retirement contribution reserve, restricted to fund contributions paid by the District for both retirement systems, and an employee benefit accrued liability reserve which must be used to pay accumulated vacation and sick time. Other restricted resources include capital, repair, and unemployment insurance, which are similarly restricted for spending as indicated by their names.

Total assets increased by \$1,535,000 (\$441,000 increase in 2020). Current and other assets increased by \$363,000. Capital assets increased by \$1,172,000 due to current year spending on the 2018 Capital Improvements project. Other liabilities increased \$665,000 (\$120,000 increase in 2020) from the issuance of \$1,150,000 Bond Anticipation Note (BAN) used to finance the 2018 Capital Improvements project.

Long-term liabilities decreased \$365,000 (decrease of \$52,000 in 2020) due to a decrease in the net pension liability from the New York State and Local Employees' Retirement System (ERS) of \$167,000. Additionally, there was a decrease in compensated absences of \$135,000.

Changes in deferred outflows and deferred inflows of resources include changes in pension activity at the State level which is required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions.

Condensed Statement of Activities	2021	2020	Change	
			\$	%
Revenues				
Program revenues				
Charges for services	\$ 133,000	\$ 94,000	\$ 39,000	41.5%
Operating and capital grants and contributions	218,000	233,000	(15,000)	(6.4%)
General revenues				
Property taxes	2,152,000	2,148,000	4,000	0.2%
State aid	2,418,000	2,447,000	(29,000)	(1.2%)
Other	355,000	102,000	253,000	248.0%
Total revenues	5,276,000	5,024,000	252,000	5.0%
Expenses				
Instruction	2,548,000	2,772,000	(224,000)	(8.1%)
Support services				
General support	1,291,000	1,398,000	(107,000)	(7.7%)
Pupil transportation	539,000	527,000	12,000	2.3%
Food service	9,000	8,000	1,000	12.5%
Interest and other	84,000	71,000	13,000	18.3%
Total expenses	4,471,000	4,776,000	(305,000)	(6.4%)
Change in net position	805,000	248,000	557,000	224.6%
Net position – beginning	7,970,000	7,722,000	248,000	3.2%
Cumulative effect of GASB 84	258,000	-	258,000	
Net position – ending	\$ 9,033,000	\$ 7,970,000	\$ 1,063,000	13.3%

District revenues increased by \$252,000 in 2021. Overall, results of operations remained consistent. Total expenses decreased \$305,000 in 2021 (\$328,000 increase in 2020). The District recognized a decrease in salaries of \$71,000 due to turnover. A decrease in workers' compensation insurance and one-time payments to retirees in 2020 caused a decrease in employee benefits.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased from \$3,362,000 to \$3,262,000 as described below:

- On an overall basis, expenditures of \$5,640,000 exceeded revenues of \$5,282,000 resulting in a decrease of \$358,000 in fund balances. Capital expenditures were consistent in 2021 and 2020. Overall expenditures decreased \$362,000 mainly due to employee benefits and instruction.
- The general fund experienced a net decrease of \$81,000 (\$578,000 decrease in 2020).
 - Expenses decreased \$346,000 primarily due to a decrease in payroll of \$71,000 and employee benefit decreases of \$229,000 resulting from health insurance and retirement contributions in 2020.
- The capital projects fund experienced a net decrease of \$289,000 (\$387,000 decrease in 2020) due to expenditures for ongoing projects.

General Fund Budgetary Highlights

The final general fund revenue budget was \$5,146,000, with actual revenues amounting to \$5,136,000. Actual expenditures and carryover encumbrances were less than the final amended budget by \$1,181,000 or 22%. The difference is attributable to many factors and many unknown items at the time the budget is prepared.

Capital Assets

	2021	2020
Land and land improvements	\$ 888,000	\$ 422,000
Buildings and improvements	9,629,000	7,289,000
Furniture, equipment, and vehicles	1,339,000	1,352,000
Construction in progress	-	1,404,000
	11,856,000	10,467,000
Accumulated depreciation	(3,595,000)	(3,378,000)
	\$ 8,261,000	\$ 7,089,000

Current year additions of \$1,461,000 were offset by depreciation expense and disposals of \$289,000.

Debt

At June 30, 2021, the District had \$1,325,000 in bonds outstanding, with \$55,000 due within one year (\$1,380,000 outstanding at June 30, 2020). Outstanding compensated absences payable were \$213,000 with \$15,000 expected to be paid within one year (\$348,000 outstanding at June 30, 2020).

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Current Financial Issues and Concerns

The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the continuing duration and spread of the outbreak. The impact on school districts, residents, employees, and vendors cannot be predicted. Federal revenue sources are expected to increase due to additional pandemic related funding, but the full extent is unknown at this time.

The District will need to plan accordingly. These issues and concerns are exacerbated by COVID-19 requiring management to plan carefully and prudently to provide the educational resources necessary to meet student needs and flexibility on how students are taught.

Contacting the District's Financial Management

This financial report is designed to provide District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Joelle Stroud, District Treasurer, Wyoming Central School District, 1225 State Route 19, PO Box 244, Wyoming, New York 14591.

WYOMING CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

(With comparative totals as of June 30, 2020)

	2021	2020
Assets		
Cash	\$ 4,472,022	\$ 4,015,312
Due from other governments, net	149,228	163,906
Accounts, state, and federal aid receivable, net	235,038	128,260
Net pension asset	-	185,677
Capital assets (Note 6)	11,855,599	10,467,254
Accumulated depreciation	(3,595,256)	(3,378,065)
Total assets	13,116,631	11,582,344
Deferred Outflows of Resources		
Defeasance loss	222,600	235,694
Deferred outflows of resources related to pensions	1,067,747	864,642
Deferred outflows of resources related to OPEB	47,414	106,967
Total deferred outflows of resources	1,337,761	1,207,303
Liabilities		
Accounts payable	288,957	469,600
Accrued liabilities	35,752	4,452
Due to retirement systems	138,205	130,696
Due to fiduciary funds	-	68,187
Due to other governments	-	275,339
Bond anticipation notes payable	1,150,000	-
Long-term liabilities		
Due within one year:		
Bonds	55,000	55,000
Compensated absences	15,000	32,000
Due beyond one year:		
Bonds and related premium	1,427,601	1,491,872
Compensated absences	198,000	316,000
Net pension liability	199,460	365,854
Total OPEB liability	1,270,766	1,270,073
Total liabilities	4,778,741	4,479,073
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	593,439	263,641
Deferred inflows of resources related to OPEB	49,516	77,024
Total deferred inflows of resources	642,955	340,665
Net Position		
Net investment in capital assets	5,850,342	5,778,011
Restricted	2,353,262	2,127,197
Unrestricted	829,092	64,701
Total net position	\$ 9,032,696	\$ 7,969,909

See accompanying notes.

WYOMING CENTRAL SCHOOL DISTRICT

Statement of Activities

For the year ended June 30, 2021
 (With summarized comparative totals for June 30, 2020)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2021	2020
Governmental activities						
General support	\$ 1,291,390	\$ 30,000	\$ -	\$ -	\$ (1,261,390)	\$ (1,361,731)
Instruction	2,548,149	103,343	205,234	13,091	(2,226,481)	(2,481,374)
Pupil transportation	530,866	-	-	-	(530,866)	(526,727)
Interest expense	84,292	-	-	-	(84,292)	(71,042)
School food service	8,739	-	-	-	(8,739)	(7,906)
	<u>\$ 4,463,436</u>	<u>\$ 133,343</u>	<u>\$ 205,234</u>	<u>\$ 13,091</u>	<u>(4,111,768)</u>	<u>(4,448,780)</u>
General revenues						
Real property taxes					2,151,683	2,147,554
Other income					347,013	102,335
State aid					2,417,556	2,447,119
Total general revenues					<u>4,916,252</u>	<u>4,697,008</u>
Change in net position					804,484	248,228
Net position - beginning					7,969,909	7,721,681
Cumulative effect of a change in accounting principle (Note 2)					258,303	-
Net position - beginning as restated					<u>8,228,212</u>	<u>7,721,681</u>
Net position - ending					<u>\$ 9,032,696</u>	<u>\$ 7,969,909</u>

WYOMING CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2021

(With comparative totals as of June 30, 2020)

	General	Capital Projects	Special Aid	School Lunch	Total Governmental Funds	
					2021	2020
Assets						
Cash	\$ 4,352,116	\$ 107,829	\$ 10,295	\$ 1,782	\$ 4,472,022	\$ 4,015,312
Due from other governments, net	93,602	55,626	-	-	149,228	163,906
Accounts, state, and federal aid receivable, net	170,164	-	55,319	9,555	235,038	128,260
Due from other funds, net	-	931,297	-	60,990	992,287	53,530
Total assets	\$ 4,615,882	\$ 1,094,752	\$ 65,614	\$ 72,327	\$ 5,848,575	\$ 4,361,008
Liabilities						
Accounts payable	\$ 245,899	\$ 37,069	\$ 5,989	\$ -	\$ 288,957	\$ 469,600
Accrued liabilities	16,752	-	-	-	16,752	1,452
Due to retirement systems	138,205	-	-	-	138,205	130,696
Due to other funds, net	932,662	-	59,625	-	992,287	121,717
Due to other governments	-	-	-	-	-	275,339
Bond anticipation notes payable	-	1,150,000	-	-	1,150,000	-
Total liabilities	1,333,518	1,187,069	65,614	-	2,586,201	998,804
Fund Balances						
Restricted:						
Capital	832,109	-	-	-	832,109	897,565
Unemployment insurance	310,757	-	-	-	310,757	310,292
Retirement contribution	357,697	-	-	-	357,697	332,899
Employee benefit accrued liability	552,175	-	-	-	552,175	293,432
Debt service	7,076	-	-	-	7,076	-
Repair	293,448	-	-	-	293,448	293,009
Assigned:						
Designated for subsequent year's expenditures	390,000	-	-	-	390,000	455,000
Other purposes	75,771	-	-	72,327	148,098	93,719
Unassigned	463,331	(92,317)	-	-	371,014	686,288
Total fund balances (deficit)	3,282,364	(92,317)	-	72,327	3,262,374	3,362,204
Total liabilities and fund balances	\$ 4,615,882	\$ 1,094,752	\$ 65,614	\$ 72,327	\$ 5,848,575	\$ 4,361,008

WYOMING CENTRAL SCHOOL DISTRICT

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2021

Total fund balances - governmental funds		\$ 3,262,374
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 are not reported as assets in governmental funds.		8,260,343
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Deferred outflows of resources related to pensions	1,067,747	
Net pension liability	(199,460)	
Deferred inflows of resources related to pensions	<u>(593,439)</u>	274,848
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:		
Deferred outflows of resources related to OPEB	47,414	
Total OPEB liability	(1,270,766)	
Deferred inflows of resources related to OPEB	<u>(49,516)</u>	(1,272,868)
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.		222,600
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:		
Bonds and related premium	(1,482,601)	
Accrued interest	(19,000)	
Compensated absences	<u>(213,000)</u>	(1,714,601)
Net position - governmental activities		\$ 9,032,696

WYOMING CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds**

For the year ended June 30, 2021
(With summarized comparative totals for June 30, 2020)

	General	Capital Projects	Special Aid	School Lunch	Total Governmental Funds	
					2021	2020
Revenues						
Real property taxes	\$ 1,745,335	\$ -	\$ -	\$ -	\$ 1,745,335	\$ 1,740,573
Real property tax items	406,348	-	-	-	406,348	406,981
Charges for services	103,343	-	-	-	103,343	57,677
Use of money and property	36,287	425	-	-	36,712	47,905
Sale of property and compensation for loss	6,460	-	-	-	6,460	1,043
Miscellaneous	347,905	-	303	-	348,208	94,155
State sources	2,417,556	13,091	-	-	2,430,647	2,517,945
Federal sources	73,142	-	131,789	-	204,931	161,933
Total revenues	5,136,376	13,516	132,092	-	5,281,984	5,028,212
Expenditures						
General support	1,072,794	1,151,796	-	8,175	2,232,765	2,110,075
Instruction	1,782,299	232,842	132,092	-	2,147,233	2,442,787
Pupil transportation	423,882	-	-	-	423,882	382,093
Employee benefits	716,768	-	-	-	716,768	945,320
Debt service						
Principal	55,000	-	-	-	55,000	55,000
Interest	64,469	-	-	-	64,469	67,219
Total expenditures	4,115,212	1,384,638	132,092	8,175	5,640,117	6,002,494
Excess revenues (expenditures)	1,021,164	(1,371,122)	-	(8,175)	(358,133)	(974,282)
Other financing sources (uses)						
Operating transfers	(1,102,556)	1,082,586	-	19,970	-	-
Net change in fund balances	(81,392)	(288,536)	-	11,795	(358,133)	(974,282)
Fund balances - beginning	3,105,453	196,219	-	60,532	3,362,204	4,336,486
Cumulative effect of a change in accounting principle (Note 2)	258,303	-	-	-	258,303	-
Fund balances - beginning, as restated	3,363,756	196,219	-	60,532	3,620,507	4,336,486
Fund balances (deficit) - ending	\$ 3,282,364	\$ (92,317)	\$ -	\$ 72,327	\$ 3,262,374	\$ 3,362,204

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the year ended June 30, 2021

Total net change in fund balances - governmental funds \$ (358,133)

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

Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over the estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceed depreciation expense and disposals. 1,171,154

Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:

2021 TRS and ERS contributions	177,454	
2021 ERS accrued contribution	17,758	
2020 ERS accrued contribution	(19,039)	
2021 TRS net pension expense	(275,769)	
2021 ERS net pension expense	<u>(46,380)</u>	(145,976)

OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.

(32,738)

Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.

55,000

In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds, these expenditures are reported when paid.

These differences are:

Amortization of bond premium and defeasance loss	(3,823)	
Compensated absences	135,000	
Interest	<u>(16,000)</u>	115,177

Change in net position - governmental activities \$ 804,484

WYOMING CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
	Original	Final			
Revenues					
Local sources					
Real property taxes	\$ 2,018,690	\$ 1,748,513	\$ 1,745,335		\$ (3,178)
Real property tax items	130,000	400,177	406,348		6,171
Charges for services	80,000	80,000	103,343		23,343
Use of money and property	33,000	33,000	36,287		3,287
Sale of property and compensation for loss	-	-	6,460		6,460
Miscellaneous	325,339	325,839	347,905		22,066
State sources	2,533,269	2,491,000	2,417,556		(73,444)
Federal sources	25,000	67,269	73,142		5,873
Total revenues	5,145,298	5,145,798	5,136,376		(9,422)
Expenditures					
General support					
Board of education	18,848	18,848	18,323	-	(525)
Central administration	178,255	194,130	193,987	-	(143)
Finance	185,251	193,362	181,458	8,870	(3,034)
Staff	47,033	45,083	31,673	-	(13,410)
Central services	666,409	682,029	558,201	50,016	(73,812)
Special items	96,337	96,337	89,152	-	(7,185)
Instruction					
Instruction, administration, and improvement	54,407	53,407	43,110	-	(10,297)
Teaching - regular school	1,137,724	1,130,603	913,013	3,424	(214,166)
Programs for children with handicapping conditions	836,409	809,419	521,452	331	(287,636)
Occupational education	73,872	74,945	74,945	-	-
Teaching - special schools	1,815	742	-	-	(742)
Instructional media	26,415	23,732	21,105	-	(2,627)
Pupil services	255,564	256,202	208,674	-	(47,528)
Pupil transportation	632,095	632,095	423,882	13,130	(195,083)
Community service	3,500	3,500	-	-	(3,500)
Employee benefits	1,037,717	1,037,717	716,768	-	(320,949)
Debt service					
Principal	55,000	55,000	55,000	-	-
Interest	64,470	64,470	64,469	-	(1)
Total expenditures	5,371,121	5,371,621	4,115,212	75,771	(1,180,638)
Excess revenues (expenditures)	(225,823)	(225,823)	1,021,164	(75,771)	1,171,216
Other financing sources (uses)					
Operating transfers out	(402,839)	(402,839)	(1,102,556)		699,717
Appropriated fund balances, reserves, and carryover encumbrances	628,662	628,662	-		(628,662)
Total other financing sources (uses)	225,823	225,823	(1,102,556)		(1,328,379)
Excess revenues (expenditures) and other financing sources (uses)	\$ -	\$ -	\$ (81,392)	\$ (75,771)	\$ (157,163)

See accompanying notes.

WYOMING CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2021

Assets

Cash \$ 10,547

Net Position

Extraclassroom activity balances \$ 10,547

WYOMING CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2021

Additions

Property tax collections for Wyoming Free Circulating Library Association \$ 37,436
Student activity receipts 14,268
51,704

Deductions

Property tax distributions to Wyoming Free Circulating Library Association 37,436
Student activity disbursements 15,335
52,771

Change in net position (1,067)

Net position - beginning -

Cumulative effect of a change in accounting principle (Note 2) 11,614

Net position - beginning as restated 11,614

Net position - ending \$ 10,547

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Wyoming Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America, nor does it contain any component units.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

Joint Venture

The District is one of 22 participating school districts in the Genesee Valley Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2021, the District was billed \$845,000 for BOCES administrative and program costs and recognized revenue of \$61,000 as a refund from prior year expenditures paid to BOCES. In addition, the District was paid \$30,000 for rental of various classrooms to BOCES. Audited financial statements are available from BOCES' administrative offices.

Public Entity Risk Pools

The District participates in the Genesee Area Healthcare Plan and the Wyoming County Workers' Compensation Self-Insurance Plan, which are public entity risk pools. These plans are designed to provide health insurance and workers' compensation coverage for participating entities. These activities are further discussed in Note 11.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) grants and contributions limited to the purchase of specific capital assets. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

Fund Financial Statements: The fund financial 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 the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District also elected to display the following as major funds:

- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources - other than expendable trusts or major capital projects - such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *School lunch fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs operated by BOCES.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which include pension and other post employment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for the collection and distribution of library taxes and student activity accounts.

The District has elected not to use a debt service fund as debt activity is currently in the general fund. Amounts accumulated for the payment of future principal and interest payments restricted for such purpose are included in the general fund.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

The government-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 flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include property taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds 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 they are collected within ninety days after year end. 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. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment and property purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2021, the tax lien was issued on August 13, 2020 for collection from September 1, 2020 through November 2, 2020. Thereafter, uncollected amounts became the responsibility of Wyoming and Genesee Counties and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2020 was approved by a majority of the voters in a general election. Due to COVID-19, voting occurred by absentee ballot through June 9, 2020.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	\$ 5,000	20
Buildings and improvements	\$ 5,000	20 - 50
Furniture and fixtures	\$ 5,000	5 - 20
Vehicles	\$ 5,000	8 - 15

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Bond Defeasances

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Pensions

The District participates in the New York State Teachers’ Retirement System (TRS) and the New York State and Local Employees’ Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the District recognizes its proportionate share of the net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

Other Postemployment Benefits (OPEB)

On the government-wide statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the District’s defined benefit healthcare plan (Note 10) have been measured on the same basis as reported by the plan. Benefit payments are recognized when due and payable in accordance with benefit terms.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and those expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with administrators and employee groups which provide for the payment of accumulated sick time at retirement or the option of converting this vested amount to provide for the payment of health insurance until exhausted.

The government-wide financial statements reflect the estimated liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Equity Classifications

Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets and defeasance losses, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

Governmental Fund Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash.

Fund balance restrictions include the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2004, 2019, and 2020, District voters approved capital reserves totaling \$750,000, \$950,000, and \$250,000, which have been fully funded and include accumulated interest earnings. In 2021, the District voters approved another capital reserve fund in the amount of \$800,000, which has been funded to \$129,711.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2021, the retirement contribution reserve includes \$71,310 for TRS and \$286,387 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee’s services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums) and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment, and requires a public hearing prior to its use.

Interfund Balances

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

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

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

2. Change in Accounting Principle

Effective July 1, 2020, the District adopted GASB statement No. 84, *Fiduciary Activities*. This statement redefines activities considered to be fiduciary, and as a result, payroll, employee third party withholdings, and certain other activities are now recorded in the general fund. In addition, fiduciary activities are now accounted for so that a liability is only recognized when an event has occurred that compels the District to disburse the fiduciary resources or no further action, approval, or condition is required prior to release of the assets. The impact of these required accounting changes on the District’s governmental and fiduciary funds is as follows:

	General Fund	Fiduciary Fund
Fund balance/fiduciary net position, July 1, 2020	\$ 3,105,453	\$ -
Accumulated sick and vacation	258,303	-
Student activity accounts	-	11,614
Fund balance/fiduciary net position, as restated, July 1, 2020	<u>\$ 3,363,756</u>	<u>\$ 11,614</u>

Fund balance has not been restated in the prior year columns of the balance sheets – governmental funds and statement of revenues, expenditures, and changes in fund balances – governmental funds as such information does not constitute a full comparative presentation of the prior year.

3. Stewardship and Compliance

The District's unassigned fund balance in the general fund exceeds the 4% limit of the 2022 expenditure budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

The capital projects fund's deficit fund balance of \$92,317 will be funded when bonds are issued for capital projects.

4. Cash

Cash management is governed by State laws and as established in the District's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District's banking policies permit the Treasurer to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2021, the District's bank deposits were fully collateralized by FDIC coverage or collateralized with securities held by the pledging institution's agent in the District's name.

5. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ 59,625	\$ 992,287	\$ -	\$ 1,102,556
Capital projects	931,297	-	1,082,586	-
Special aid	-	59,625	-	-
School lunch	60,990	-	19,970	-
	<u>\$ 1,051,912</u>	<u>\$ 1,051,912</u>	<u>\$ 1,102,556</u>	<u>\$ 1,102,556</u>

The District uses various funds to provide cash flows to other funds. Amounts are typically repaid in the subsequent year when funds are available. The transfers from the general fund to the capital projects fund and school lunch fund represent the District's local share of capital projects and school lunch expenditures. All transfers are considered permanent.

6. Capital Assets

	July 1, 2020	Increases	Retirements/ Reclassifications	June 30, 2021
Non-depreciable capital assets:				
Land	\$ 87,400	\$ -	\$ -	\$ 87,400
Construction in progress	1,404,430	-	(1,404,430)	-
Total non-depreciable assets	1,491,830	-	(1,404,430)	87,400
Depreciable capital assets:				
Land improvements	334,257	466,293	-	800,550
Buildings and improvements	7,288,929	935,295	1,404,430	9,628,654
Furniture and fixtures	574,147	-	-	574,147
Vehicles	778,091	59,635	(72,878)	764,848
Total depreciable assets	8,975,424	1,461,223	1,331,552	11,768,199
Less accumulated depreciation:				
Land improvements	87,383	17,167	-	104,550
Buildings and improvements	2,549,746	154,567	-	2,704,313
Furniture and fixtures	390,513	24,322	-	414,835
Vehicles	350,423	79,949	(58,814)	371,558
Total accumulated depreciation	3,378,065	276,005	(58,814)	3,595,256
Total depreciable assets, net	5,597,359	1,185,218	1,390,366	8,172,943
	\$ 7,089,189	\$ 1,185,218	\$ (14,064)	\$ 8,260,343

Depreciation expense has been allocated to the following functions: general support \$52,970, instruction \$142,522, pupil transportation \$79,949, and food service \$564.

As of June 30, 2021, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	\$ 8,260,343
Defeasance loss	222,600
Bonds and related premium	(1,482,601)
Bond anticipation notes payable	(1,150,000)
	<u>\$ 5,850,342</u>

7. Short-Term Debt

Bond anticipation notes (BANs) issued and outstanding at June 30, 2021 amounted to \$1,150,000 and carry interest at 1.5%. The BANs were issued to provide capital project funding and mature in July 2021. Subsequent to June 30, 2021, the District issued a \$999,000 BAN to refinance the maturing BAN.

8. Long-Term Liabilities

	July 1, 2020	Increases	Decreases	June 30, 2021	Amount Due in One Year
Bonds	\$ 1,380,000	\$ -	\$ 55,000	\$ 1,325,000	\$ 55,000
Premium on 2015 refunded bonds	166,872	-	9,271	157,601	-
Compensated absences	348,000	-	135,000	213,000	15,000
	<u>\$ 1,894,872</u>	<u>\$ -</u>	<u>\$ 199,271</u>	<u>\$ 1,695,601</u>	<u>\$ 70,000</u>

Existing Obligations

Description	Maturity	Rate	Balance
2015 DASNY Refunding	June 2038	3.0% - 5.0%	\$ 1,325,000

Debt Service Requirements

Years ending June 30,	Principal	Interest
2022	\$ 55,000	\$ 61,719
2023	55,000	58,969
2024	65,000	56,219
2025	60,000	52,969
2026	60,000	50,569
2027-2031	370,000	203,406
2032-2036	450,000	121,531
2037-2038	210,000	16,000
	<u>\$ 1,325,000</u>	<u>\$ 621,382</u>

9. Pension Plans

Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.53% for 2021. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2021, these rates ranged from 9.6% - 19.6%.

The amount outstanding and payable to TRS for the year ended June 30, 2021 was \$112,529. A liability to ERS of \$17,758 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2021.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

At June 30, 2021, the District reported a liability of \$197,793 for its proportionate share of the TRS net pension position and a liability of \$1,667 for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures applied to roll forward the net pension position to June 30, 2020. The District’s proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS’s total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2020, the District’s proportion was 0.00716%, an increase of 0.000013 from its proportion measured as of June 30, 2019.

The ERS net pension position was measured as of March 31, 2021, and the total pension liability was determined by an actuarial valuation as of April 1, 2020. The District’s proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS’s total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2021 measurement date, the District’s proportion was 0.0016739%, an increase of 0.0002923 from its proportion measured as of March 31, 2020.

For the year ended June 30, 2021, the District recognized net pension expense of \$322,149 on the government-wide statements (TRS expense of \$275,769 and ERS expense of \$46,380). At June 30, 2021, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 173,306	\$ 10,137	\$ 20,356	\$ -
Changes of assumptions	250,162	89,170	306,465	5,780
Net difference between projected and actual earnings on pension plan investments	129,176	-	-	478,794
Changes in proportion and differences between District contributions and proportionate share of contributions	27,631	5,907	30,364	3,651
District contributions subsequent to the measurement date	112,529	-	17,758	-
	<u>\$ 692,804</u>	<u>\$ 105,214</u>	<u>\$ 374,943</u>	<u>\$ 488,225</u>

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

Years ending June 30,	TRS	ERS
2022	\$ 86,582	\$ (20,829)
2023	165,071	(3,867)
2024	133,290	(19,918)
2025	78,785	(86,426)
2026	2,368	-
Thereafter	8,965	-
	<u>\$ 475,061</u>	<u>\$ (131,040)</u>

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2019 valuation, with update procedures used to roll forward the total pension liability to June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

Inflation – 2.2%

Salary increases – Based on TRS member experience, dependent on service, ranging from 1.90%-4.72%

Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually

Investment rate of return – 7.1% compounded annually, net of investment expense, including inflation

Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, applied on a generational basis

Discount rate – 7.1%

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

For ERS, the actuarial assumptions used in the April 1, 2020 valuation, with update procedures used to roll forward the total pension liability to March 31, 2021, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.7%

Salary increases – 4.4%

COLA – 1.4% annually

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Society of Actuaries' Scale MP-2020

Discount rate – 5.9%

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

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	7.1%	32%	4.1%
Global and international equities	20%	7.4%-7.7%	15%	6.3%
Private equities	8%	10.4%	10%	6.8%
Real estate	11%	6.8%	9%	5.0%
Domestic fixed income securities	16%	1.8%	23%	-
Global fixed income securities	2%	1.0%	-	-
Bonds and mortgages	7%	3.6%	-	-
Short-term	1%	0.7%	1%	0.5%
Other	2%	3.9%-5.2%	10%	3.6%-6.0%
	<u>100%</u>		<u>100%</u>	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those 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.

The following presents the District’s proportionate share of its net pension position calculated using the discount rate of 7.1% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District’s proportionate share of the TRS net pension asset (liability)	\$ (1,249,390)	\$ (197,793)	\$ 684,764
District’s proportionate share of the ERS net pension asset (liability)	\$ (462,631)	\$ (1,667)	\$ 423,450

10. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance for certain District retirees and spouses. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. Eligibility is based on covered employees who retire from the District over the age of 55 and have met vesting requirements. Retirees are provided with health insurance at different cost percentages depending on their retirement date and bargaining unit. The District principally provides a fixed per annum contribution towards insurance for those employee groups covered and provides an age-related implicit subsidy for all employees. The Plan has no assets, does not issue financial statements, and is not a trust.

At March 1, 2020, employees covered by the Plan include:

Active employees	39
Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	-
	50

Total OPEB Liability

The District’s total OPEB liability of \$1,270,766 was measured as of March 31, 2021 and was determined by an actuarial valuation as of June 30, 2020, rolled forward through an interim valuation to June 30, 2021.

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

Healthcare cost trend rates – based on the National Health Expenditure Projections 2012-2028 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2021_b (updated September 2020) for long-term rates, initially 4.00% with an ultimate rate of 4.08% after 2070

Salary increases – 3.11%

Mortality – Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality, fully generational using scale MP-2020

Discount rate – 2.27% based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date

Inflation rate – 2.11%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 1,270,073
Changes for the year:	
Service cost	21,496
Interest	30,105
Changes of benefit terms	-
Differences between expected and actual experience	6,123
Changes of assumptions or other inputs	20,643
Benefit payments	(77,674)
Net changes	693
Balance at June 30, 2021	\$ 1,270,766

The following presents the sensitivity of the District’s total OPEB liability to changes in the discount rate, including what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (1.27%)	Discount Rate (2.27%)	1.0% Increase (3.27%)
Total OPEB liability	\$ (1,359,016)	\$ (1,270,766)	\$ (1,190,317)

The following presents the sensitivity of the District’s total OPEB liability to changes in the healthcare cost trend rates, including what the District’s total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (3.00% to 3.08%)	Healthcare Cost Trend Rate (4.00% to 4.08%)	1.0% Increase (5.00% to 5.08%)
Total OPEB liability	\$ (1,181,962)	\$ (1,270,766)	\$ (1,371,709)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2021, the District recognized OPEB expense of \$110,940. At June 30, 2021, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,513	\$ 49,516
Changes of assumptions or other inputs	23,482	-
Benefit payments subsequent to the measurement date	19,419	-
	\$ 47,414	\$ 49,516

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2022	\$ (15,868)
2023	(11,290)
2024	5,637
	\$ (21,521)

11. Risk Management

General Liability

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

Health Insurance

The District participates in the Genesee Area Healthcare Plan (the Plan), sponsored by Genesee Valley BOCES. The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 24 participating members as of June 30, 2020 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. The Plan has an excess coverage liability policy in effect with a maximum amount and loss limit per individual.

The Plan has published its own financial report for the year ended June 30, 2020, which can be obtained from Genesee Valley BOCES, 80 Munson Street, LeRoy, New York 14482.

Workers' Compensation

The District participates in the Wyoming County Workers' Compensation Self-Insurance Plan (the Plan) sponsored by Wyoming County (the County). The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 32 governmental entities as of December 31, 2020 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan's financial report for the year ended December 31, 2020 is included in the County's financial statements, which can be obtained from Wyoming County, 143 North Main Street, 3rd Floor, Warsaw, New York 14569.

12. Commitments and Contingencies

Grants

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and are subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

13. Risks and Uncertainties

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease continued into 2021, and the District was required to implement numerous safety measures and remote learning initiatives. The full extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on school districts, residents, employees, and vendors, none of which can be predicted.

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System**

As of the measurement date of June 30,	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.007160%	0.007147%	0.007051%	0.007043%	0.007483%	0.007976%	0.008272%	0.008240%
District's proportionate share of the net pension asset (liability)	\$ (197,793)	\$ 185,677	\$ 127,494	\$ 53,535	\$ (80,148)	\$ 828,459	\$ 921,475	\$ 54,240
District's covered payroll	\$1,214,932	\$ 1,192,936	\$ 1,148,469	\$1,116,118	\$ 1,154,736	\$1,218,970	\$1,238,413	\$ 1,226,198
District's proportionate share of the net pension position as a percentage of its covered payroll	16.28%	15.56%	11.10%	4.80%	6.94%	67.96%	74.41%	4.42%
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%
The following is a summary of changes of assumptions:								
Inflation	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information
Schedule of District Contributions
New York State Teachers' Retirement System**

For the years ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 112,529	\$ 107,643	\$ 126,690	\$ 112,550	\$ 130,809	\$ 153,118	\$ 210,029	\$ 198,565	\$ 142,908
Contribution in relation to the contractually required contribution	(112,529)	(107,643)	(126,690)	(112,550)	(130,809)	(153,118)	(210,029)	(198,565)	(142,908)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,180,787	\$ 1,214,932	\$ 1,192,936	\$ 1,148,469	\$ 1,116,118	\$ 1,154,736	\$ 1,218,970	\$ 1,238,413	\$ 1,226,198
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.23%	16.03%	11.65%

Data prior to 2013 is unavailable.

WYOMING CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0016739%	0.0013816%	0.0013892%	0.0014030%	0.0012372%	0.0013064%	0.0011684%
District's proportionate share of the net pension liability	\$ (1,667)	\$ (365,854)	\$ (98,427)	\$ (45,280)	\$ (116,249)	\$ (209,685)	\$ (39,473)
District's covered payroll	\$ 489,967	\$ 429,916	\$ 419,260	\$ 377,761	\$ 347,249	\$ 325,607	\$ 320,018
District's proportionate share of the net pension position as a percentage of its covered payroll	0.34%	85.10%	23.48%	11.99%	33.48%	64.40%	12.33%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
The following is a summary of changes of assumptions:							
Inflation	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information
Schedule of District Contributions
New York State and Local Employees' Retirement System**

For the years ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 64,925	\$ 56,750	\$ 55,572	\$ 52,375	\$ 51,184	\$ 54,155	\$ 53,955	\$ 73,544	\$ 87,607
Contribution in relation to the contractually required contribution	(64,925)	(56,750)	(55,572)	(52,375)	(51,184)	(54,155)	(53,955)	(73,544)	(87,607)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 489,967	\$ 429,916	\$ 419,260	\$ 377,761	\$ 347,249	\$ 325,607	\$ 320,018	\$ 361,748	\$ 411,596
Contributions as a percentage of covered payroll	13.25%	13.20%	13.25%	13.86%	14.74%	16.63%	16.86%	20.33%	21.28%

Data prior to 2013 is unavailable.

WYOMING CENTRAL SCHOOL DISTRICT

**Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios**

For the years ended June 30,	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 1,270,073	\$ 1,513,281	\$ 1,252,306	\$ 1,191,861
Changes for the year:				
Service cost	21,496	30,090	24,673	22,924
Interest	30,105	50,485	44,972	45,016
Changes of benefit terms	-	(160,942)	(3,089)	-
Differences between expected and actual experience	6,123	(104,532)	217,747	8,492
Changes of assumptions or other inputs	20,643	17,463	7,878	14,164
Benefit payments	(77,674)	(75,772)	(31,206)	(30,151)
Net change in total OPEB liability	693	(243,208)	260,975	60,445
Total OPEB liability - ending	\$ 1,270,766	\$ 1,270,073	\$ 1,513,281	\$ 1,252,306
Covered-employee payroll	\$ 2,127,080	\$ 2,062,923	\$ 1,995,862	\$ 1,995,862
Total OPEB liability as a percentage of covered-employee payroll	59.74%	61.57%	75.82%	62.75%

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

Changes of benefit terms include clarification of plan provisions for certain contracts in 2020, reducing the District's contribution from 100% to 80% for certain employee groups.

Differences between expected and actual experience include changes in healthcare trend rates. The decrease in 2020 included the impact of the repeal of the Affordable Care Act's excise "Cadillac" taxes as part of the Further Consolidated Appropriations Act of 2020. The increase in 2019 was due to changes in healthcare trends and inclusion of the Cadillac taxes.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	4.00%-4.08%	5.20%-4.18%	6.20%-4.23%	5.30%-4.17%
Inflation	2.11%	2.22%	2.37%	2.31%
Salary increases	3.11%	3.22%	3.36%	3.31%
Discount rate	2.27%	2.48%	3.44%	3.61%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2017

Data prior to 2018 is unavailable.

Supplementary Information
Schedule of Change from Original to Final Budget and
Calculation of Unrestricted Fund Balance Limit - General Fund

For the year ended June 30, 2021

Original expenditure budget	\$ 5,740,773
Encumbrances carried over from prior year	33,187
Budget amendment: Student Assistance Team award	<u>500</u>
Revised expenditure budget	<u>\$ 5,774,460</u>

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Unrestricted Fund Balance

Assigned	\$ 465,771
Unassigned	<u>463,331</u>
	929,102
Encumbrances included in assigned fund balance	(75,771)
Appropriated fund balance used for tax levy	<u>(390,000)</u>
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	<u>\$ 463,331</u>

§1318 of Real Property Tax Law - unrestricted fund balance limit calculation

2022 expenditure budget (unaudited)	\$ 5,832,070
4% of budget	<u>233,283</u>
Actual percentage of 2022 expenditure budget	<u>7.9%</u>

WYOMING CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2021

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
2018 Capital Improvements Project	\$ 2,750,000	\$ 2,750,000	\$ 1,404,430	\$ 1,287,961	\$ 2,692,391	\$ 57,609
2020-2021 Capital Outlay Project	100,000	83,586	-	83,586	83,586	-
Smart School Bonds Act	110,153	110,153	70,826	13,091	83,917	26,236
	<u>\$ 2,960,153</u>	<u>\$ 2,943,739</u>	<u>\$ 1,475,256</u>	<u>\$ 1,384,638</u>	<u>\$ 2,859,894</u>	<u>\$ 83,845</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*

The Board of Education
Wyoming Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Wyoming Central School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

UPDATE

As reported in prior years, due to the small size of the business office, a proper segregation of duties is not possible. We understand that the Superintendent and a second employee in the business office provides some assistance in duty segregation.

Since it is difficult to achieve an ideal segregation of duties, we continue to stress the importance of monitoring transactions and controls by the Board of Education.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Sumner & McCormick, LLP". The signature is written in a cursive, flowing style.

September 9, 2021