

**PHOENIX CENTRAL SCHOOL DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**June 30, 2021**

**PHOENIX CENTRAL SCHOOL DISTRICT**  
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**grossman st. amour**

CERTIFIED PUBLIC ACCOUNTANTS PLLC

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Phoenix Central School District  
Phoenix, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Phoenix 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***

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

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

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

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

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



## **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 Phoenix Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis, schedule of changes in the district's total OPEB liability and related ratios, schedule of revenues, expenditures and changes in fund balance-budget (Non-GAAP Basis) and actual- general fund, schedule of district contributions and schedule of district's proportionate share of the net pension asset (liability)* on pages 4-13 and 54-57, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Phoenix Central School District's basic financial statements. The *schedule of change from adopted to final budget and the real property tax limit, the schedule of project expenditures – capital projects and net investment in capital assets* on pages 58-60 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets* are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021 on our consideration of Phoenix Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 District's internal control over financial reporting and compliance.

Grossman St. Amour CPA

Syracuse, New York  
October 5, 2021

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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Our discussion and analysis of Phoenix Central School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the opinion on page 1 and the District's financial statements, which begin on page 14.

**Financial Highlights**

- During the year, the District had total expenses for functions and programs of \$43,008,483, and total revenues of \$50,113,653; these expenditures were funded in part by \$28,816,401 received from state and federal sources. Remaining funds were available through property taxes and other miscellaneous revenues.
- The total cost of all District programs decreased by 1,630,799, or 3.65%. This decrease is primarily attributable to standard fluctuation of costs as well as changes in assumptions related to the ERS and TRS net pension liability and assets and other postemployment benefit liability. Efforts are made to ensure that program costs are held at a minimum.
- The District's general fund reported an excess of revenues over expenditures in 2020-2021 of \$5,431,278.
- Changes in enrollment:

As the attached schedule indicates, there was slight change in enrollment over the past few years. Our projections indicate that enrollment should remain stable at the current level for the next 5 years.

<b>School Year</b>	<b>Enrollment</b>
2005-2006	2,293
2006-2007	2,239
2007-2008	2,250
2008-2009	2,241
2009-2010	2,168
2010-2011	2,090
2011-2012	2,044
2012-2013	1,890
2013-2014	1,840
2014-2015	1,850
2015-2016	1,830
2016-2017	1,810
2017-2018	1,772
2018-2019	1,772
2019-2020	1,762
2020-2021	1,760
2021-2022 (projection)	1,769

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- State Aid and Tax Levy

As noted in the chart below, state aid has increased at a rate greater than the Consumer Price Index (CPI) in years prior to the 2010-2011 school year. Fiscal challenges in the United States caused a change in this pattern. With the exception of building aid, the district's 2009-2010 and 2010-2011 state aid was frozen at 2008-2009 levels, and was partially funded by federal stimulus funds. 2011-2012 aid was reduced by \$1.5 million. This reduction was partially offset by \$800,000 in Federal Education Jobs Fund money. Between the 2020-2021 and 2021-2022 budget years, New York State was able to provide an increase in general operating aid of approximately \$0 and \$556,443, respectively, which has enabled the district to maintain educational programs. With the imposed tax cap legislation and slight increase in total state aid, the expense-side budget increase was limited to approximately \$2,182,644 for 2021-2022 primarily due to increases in BOCES Special education expenditures costs. The 2020-21 budget was challenging, in that foundation aid was frozen by the State and Federal funds from the CARES act resulted in a deduction from State Aid.

As noted in the chart below, local taxpayers have supported slight levy increases. The District strives to balance the educational needs of our students with the limited resources of our taxpayers. Even with an unstable employment base in the area, district residents have continued to be supportive of the District.

Below is a detail of the District's budget, state aid and required levy to meet the budget:

Year	Budget	State Aid	% Change	Levy	% Change	Budgeted Use of Reserves	% Change
2006-2007	\$34,430,000	\$20,008,233	6.70%	\$12,961,515	5.60%	\$0	0.00%
2007-2008	\$35,406,302	\$20,993,955	4.90%	\$13,591,647	4.80%	\$0	0.00%
2008-2009	\$37,352,477	\$22,187,816	5.68%	\$14,538,961	6.97%	\$0	0.00%
2009-2010	\$41,015,495	\$25,474,133	15.08%	\$15,031,662	3.39%	\$0	0.00%
2010-2011	\$42,008,341	\$25,193,723	(1.10%)	\$15,373,638	2.28%	\$1,031,280	100.00%
2011-2012	\$41,103,453	\$23,676,173	(6.02%)	\$15,827,160	2.95%	\$1,025,920	(0.05%)
2012-2013	\$41,261,399	\$23,326,699	(1.48%)	\$16,131,860	1.92%	\$1,228,640	19.76%
2013-2014	\$42,008,927	\$23,943,365	2.64%	\$16,425,022	1.79%	\$1,228,640	0.00%
2014-2015	\$42,559,049	\$24,446,555	2.10%	\$16,751,880	1.99%	\$905,000	(26.34%)
2015-2016	\$43,747,467	\$25,734,639	5.27%	\$16,833,964	0.49%	\$700,000	(22.65%)
2016-2017	\$44,787,050	\$26,665,722	3.62%	\$16,833,964	0.00%	\$800,000	14.29%
2017-2018	\$45,118,781	\$27,125,711	1.73%	\$16,961,451	0.08%	\$550,000	(31.25%)
2018-2019	\$45,389,543	\$27,670,751	2.00%	\$17,215,873	1.5%	\$50,000	(90.90%)
2019-2020	\$46,319,500	\$28,328,209	2.37%	\$17,426,873	1.23%	\$50,000	0.00%
2020-2021	\$47,335,503	\$28,503,098	0.62%	\$17,426,873	0.00%	\$587,000	1074%
2021-2022	\$49,518,145	\$31,271,464	9.71%	\$17,426,873	0.00%	\$50,000	(91.48%)

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In an effort to help mitigate the loss of Education Jobs Fund monies, the district has been diligent in their efforts to control the cost of employee benefits:

Year	All Employee Benefits: Budget	Employee Benefit Actual	NYS TRS: Budget	NYS TRS: Actual
2006-2007	\$7,800,559	\$7,551,242	\$850,000	\$1,373,886
2007-2008	8,662,407	7,563,002	1,246,939	1,469,921
2008-2009	8,082,197	8,024,035	1,238,306	1,208,644
2009-2010	8,425,582	7,477,187	1,414,930	1,369,951
2010-2011	8,902,189	7,538,580	1,890,314	1,191,862
2011-2012	8,721,680	8,959,760	1,637,684	1,766,834
2012-2013	8,742,270	8,875,121	1,847,159	1,814,991
2013-2014	9,768,228	9,515,978	2,486,750	2,745,215
2014-2015	10,358,042	10,091,606	2,710,475	2,601,429
2015-2016	9,896,982	9,288,275	2,672,413	1,950,874
2016-2017	10,192,566	9,218,350	1,955,000	1,767,195
2017-2018	10,103,320	9,058,706	1,600,000	1,449,625
2018-2019	10,202,220	9,669,591	1,725,000	1,579,627
2019-2020	10,136,463	9,081,186	1,500,000	1,335,207
2020-2021	10,231,081	9,657,037	1,600,000	1,401,524
2021-2022	10,552,711		1,675,000	

The method of state funding for textbooks, computer hardware, and computer software and library materials remains unchanged. Expenditures in these areas remain consistent, as they are budgeted based on the amount of aid the district anticipates it will receive.

**Using This Annual Report**

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

<b>Figure A-1 Major Features of the District-Wide and Fund Financial Statements</b>		
	Fund Financial Statements	
	District-Wide	Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> <li>• Reconciliation of governmental funds and changes in fund balance to the Statement of activities</li> <li>• Reconciliation of governmental funds balance sheet to the Statement of net position</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows of resources/ liability/ deferred inflows of resources information	All assets, deferred outflows of resources, and liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

**District-Wide Statements**

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

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

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

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

**Fund Financial Statements**

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

- Some funds are required by state law and by bond covenants. Generally, the District is required by New York State General Municipal law (para. 36) to follow the system of accounts formulated and prescribed by the New York State Comptroller.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has the following funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide financial statements, additional information in the notes to the financial statements explains the relationship (or differences) between them.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

**The School District as a Whole**

Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

**TABLE 1**  
**Statement of Net Position**

	Governmental Activities and Total School District		Percentage Change
	2021	2020	2020-2021
Current and Other Assets	\$ 33,010,551	\$ 24,690,698	33.70%
Capital Assets	86,583,269	78,138,885	10.81%
Net Pension Asset	-	2,417,480	-100.00%
Total Assets	<u>119,593,820</u>	<u>105,247,063</u>	13.63%
Deferred Outflows of Resources	<u>16,189,637</u>	<u>12,765,914</u>	26.82%
Total Assets and Deferred Outflows of Resources	<u>\$ 135,783,457</u>	<u>\$ 118,012,977</u>	15.06%
Long-Term Debt-Due in One Year	\$ 40,246,237	\$ 24,926,600	61.46%
Long-Term Debt-Due in More than One Year	40,338,201	43,808,507	-7.92%
Net Pension Liability	2,541,731	4,073,955	-37.61%
Other Liabilities	<u>2,652,027</u>	<u>4,135,796</u>	-35.88%
Total Liabilities	<u>85,778,196</u>	<u>76,944,858</u>	11.48%
Deferred Inflows of Resources	<u>9,094,925</u>	<u>7,262,953</u>	25.22%
Total Liabilities and Deferred Inflows of Resources	<u>\$ 94,873,121</u>	<u>\$ 84,207,811</u>	12.67%
Net Position:			
Investment in Capital Assets	86,583,269	78,138,885	10.81%
Related Debt	(62,532,348)	(52,361,712)	19.42%
Restricted	26,013,448	15,085,034	72.45%
Unrestricted Net Deficit, as restated	<u>(9,154,033)</u>	<u>(7,057,041)</u>	29.71%
Total Net Position, as restated	<u>\$ 40,910,336</u>	<u>\$ 33,805,166</u>	21.02%

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

The School District as a Whole (continued)

**TABLE 2**  
**Statement of Activities**

	Governmental Activities and Total School District		Percentage Change
	2021	2020	2020-2021
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 9,122	\$ 159,447	-94.28%
Operating Grants and Contributions	2,149,692	2,161,029	-0.52%
General Revenue:			
Property Taxes and Other Tax Items	17,578,623	17,574,832	0.02%
State Sources	28,431,829	28,293,023	0.49%
Federal Sources	384,572	154,686	148.61%
Other General Revenues	1,559,815	1,044,599	49.32%
Total Revenues	<u>50,113,653</u>	<u>49,387,616</u>	1.47%
<b>PROGRAM EXPENSES</b>			
General Support	6,262,348	7,124,253	-12.10%
Instruction	32,406,835	33,460,963	-3.15%
Transportation	1,971,460	2,293,685	-14.05%
Debt Service	2,116,920	1,397,704	51.46%
School Lunch Program	250,920	362,677	-30.81%
Total Program Expenses	<u>43,008,483</u>	<u>44,639,282</u>	-3.65%
Increase in Net Position	<u>\$ 7,105,170</u>	<u>\$ 4,748,334</u>	49.64%

In Table 2, the District's total revenues increased by \$726,037, most funding sources held constant year over year with the exception of Federal Grants awarded and slight increases in State Aid.

District expenses decreased \$1,630,799 overall due to general program cost savings related to COVID-19 and costs associated with the net pension asset and liability and other post-employment benefits.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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**The School District as a Whole** (continued)

The District participates in a cooperative health insurance program with 27 other school districts. This cooperative has been in existence since 1983 and has proven to be a successful model for funding of health insurance for school districts. Excellus Blue Cross/Blue Shield acts as the third party administrator; the cooperative is managed by a private consulting firm that has been with the program since its inception. The District continues to realize the benefits of this program through 2020-2021, and continues to see a significantly lower rate of increase than its previous fully insured program. Additionally, 100% of district employees have agreed to participate in a 3-tier drug plan for health insurance, further reducing insurance premiums by more than 8% annually.

Finally, the District continues to maintain a five-year financial plan to ensure long-term financial stability. This plan provides the District with information that shows district leaders how decisions we make today will impact the financial operations of the district in the future.

**General Fund Budgetary Highlights**

Budget transfers made at the end of each year were to cover unanticipated program and pupil expenses. The District monitors expenditures on a routine basis and implements annual adjustments to compensate for shortfalls in line item budgets occurring throughout the year.

In 2020-2021, the District controlled costs well, the final budget exceeded appropriations in the amount of \$5,005,060 including current year encumbrances.

**Capital Asset and Debt Administration**

Capital Assets

At the end of 2020-2021 the District had approximately \$86.6 million invested in a broad range of capital assets, including equipment and buildings (see Table 3). This amount represents a net increase of approximately \$8,444,000, primarily related to ongoing projects less annual depreciation.

**TABLE 3**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

	Governmental Activities and Total School District		Percentage Change
	2021	2020	2020-2021
Land	\$ 186,900	\$ 186,900	0.00%
Construction in progress	36,600,226	27,182,619	34.65%
Buildings and Improvements	46,827,149	47,897,728	-2.24%
Machinery and Equipment	2,968,994	2,871,638	3.39%
<b>Total</b>	<b>\$ 86,583,269</b>	<b>\$ 78,138,885</b>	<b>10.81%</b>

**PHOENIX CENTRAL SCHOOL DISTRICT**  
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**Capital Asset and Debt Administration** (continued)

Long-Term Obligations

At year-end, the District had \$47,917,588 in long-term obligations outstanding versus \$49,735,107 last year, resulting in a decrease of 3.65%.

**TABLE 4**  
**Outstanding Long-Term Obligations, at Year End**

	Total School District		Percentage Change
	2021	2020	2020-2021
General Obligation Bonds (Financed with Property Taxes)	\$ 28,582,549	\$ 31,970,242	-10.60%
Other Postemployment Benefits	16,684,053	14,247,464	17.10%
Workers compensation payable	713,187	286,516	148.92%
Compensated absences	1,937,799	3,230,885	-40.02%
Total Long-term Liabilities	<u>\$ 47,917,588</u>	<u>\$ 49,735,107</u>	-3.65%

Standard & Poor's Credit Market Services ("S & P") has assigned a bond rating of A+ with respect to the District's outstanding bonds. The state limits the amount of general obligation debt that school districts can issue to 10% of the assessed value of all taxable property within the District's geographic limits. The District's outstanding general obligation debt is below this \$61.16 million state-imposed limit. More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- Legislative mandates and state education department initiatives, which are not accompanied by financial support, continue to be of concern to the District.
- The District has made every effort to prepare for anticipated shortfalls in funding from the State of New York and is concerned over the uncertainty in which is now a nonexistent predictable aid formula. We are hopeful that education funding will become more predictable in future years.
- Due to the State economic fallout from a loss of revenue from the COVID-19 pandemic shutdown, the District has received federal assistance which will be utilized over the next three budget years.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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**Economic Factors and Next Year's Budgets and Rates (continued)**

- The community is a small rural area with a population under 15,000. The area is also a bedroom community for the cities of Fulton, Syracuse and Oswego.
- The voters of the District approved a budget of \$49,518,145 for the 2020-2021 school year. We anticipate continued support from our community.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District Business Office at the Phoenix Central School District, 116 Volney Street, Phoenix, New York, 315-695-1574.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

<b>ASSETS</b>	
Cash	
Unrestricted	\$ 3,914,675
Restricted	26,013,448
Receivables	
Accounts receivable	1,394
State and Federal aid	3,016,303
Due from other governments	11,283
Inventories	53,448
Capital assets, net	<u>86,583,269</u>
Total assets	<u>119,593,820</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Defeasance on bond refunding	1,282,949
Pensions	12,096,103
Other post employment benefits	<u>2,810,585</u>
Total deferred outflows of resources	<u>16,189,637</u>
Total assets and deferred outflows of resources	<u><u>\$ 135,783,457</u></u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 305,962
Accrued liabilities	642,045
Interest payable	86,087
Due to teachers' retirement system	1,433,541
Due to employees' retirement system	184,392
Long-term liabilities	
Due and payable within one year	
Bonds payable	3,945,161
Bond anticipation note payable	32,666,850
Compensated absences payable	484,450
Other postemployment benefits payable	2,436,589
Workers compensation payable	713,187
Due and payable after one year	
Bonds payable	24,637,388
Compensated absences payable	1,453,349
Other postemployment benefits payable	14,247,464
Net pension liability- proportionate share	<u>2,541,731</u>
Total liabilities	<u>85,778,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	5,817,834
Other post employment benefits	<u>3,277,091</u>
Total deferred inflows of resources	<u>9,094,925</u>
<b>NET POSITION</b>	
Net investment in capital assets	24,050,921
Restricted	26,013,448
Unrestricted deficit	<u>(9,154,033)</u>
Total net position	<u>40,910,336</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 135,783,457</u></u>

See notes to basic financial statements

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2021**

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants	
<b>FUNCTIONS/PROGRAMS</b>					
General support	\$ (5,627,449)	\$ (634,899)	\$ -	\$ -	\$ (6,262,348)
Instruction	(25,502,304)	(6,904,531)	2,797	1,564,054	(30,839,984)
Pupil transportation	(1,574,648)	(396,812)	-	-	(1,971,460)
Employee benefits	(7,936,242)	7,936,242	-	-	-
Debt service	(2,116,920)	-	-	-	(2,116,920)
School lunch program	(250,920)	-	6,325	585,638	341,043
Total functions and programs	<u>\$ (43,008,483)</u>	<u>\$ -</u>	<u>\$ 9,122</u>	<u>\$ 2,149,692</u>	<u>(40,849,669)</u>
<b>GENERAL REVENUES</b>					
Real property taxes					17,578,623
Nonproperty taxes					5,814
Use of money and property					279,859
Sale of property and compensation for loss					48,918
State sources					28,431,829
Federal sources					384,572
Miscellaneous					1,225,224
Total general revenues					<u>47,954,839</u>
Change in net position					<u>7,105,170</u>
Total net position - beginning of year, as restated					<u>33,805,166</u>
Total net position - end of year					<u>\$ 40,910,336</u>

See notes to basic financial statements

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
**June 30, 2021**

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>						
Cash						
Unrestricted	\$ 3,526,361	\$ 104,408	\$ 283,906	\$ -	\$ -	\$ 3,914,675
Restricted	20,468,735	-	-	1,615,755	3,928,958	26,013,448
Receivables						
Due from other funds	913,362	-	-	421	-	913,783
Accounts receivable	1,394	-	-	-	-	1,394
State and Federal aid	2,139,388	716,989	159,926	-	-	3,016,303
Due from other governments	11,283	-	-	-	-	11,283
Inventories	-	-	53,448	-	-	53,448
Total assets	<u>\$ 27,060,523</u>	<u>\$ 821,397</u>	<u>\$ 497,280</u>	<u>\$ 1,616,176</u>	<u>\$ 3,928,958</u>	<u>\$ 33,924,334</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 261,827	\$ 10,537	\$ 48	\$ -	\$ 33,550	\$ 305,962
Accrued liabilities	628,253	4,194	9,598	-	-	642,045
Due to other funds	-	700,895	212,467	-	421	913,783
Due to teachers' retirement system	1,330,341	103,200	-	-	-	1,433,541
Due to employees' retirement system	171,858	2,571	9,963	-	-	184,392
Bond anticipation note payable	-	-	-	-	32,666,850	32,666,850
Total liabilities	<u>2,392,279</u>	<u>821,397</u>	<u>232,076</u>	<u>-</u>	<u>32,700,821</u>	<u>36,146,573</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	53,448	-	-	53,448
Restricted	20,468,735	-	-	1,616,176	-	22,084,911
Committed	70,585	-	-	-	-	70,585
Assigned	259,715	-	211,756	-	(28,771,863)	(28,300,392)
Unassigned	3,869,209	-	-	-	-	3,869,209
Total fund balances (deficit)	<u>24,668,244</u>	<u>-</u>	<u>265,204</u>	<u>1,616,176</u>	<u>(28,771,863)</u>	<u>(2,222,239)</u>
Total liabilities and fund balances	<u>\$ 27,060,523</u>	<u>\$ 821,397</u>	<u>\$ 497,280</u>	<u>\$ 1,616,176</u>	<u>\$ 3,928,958</u>	<u>\$ 33,924,334</u>

See notes to basic financial statements

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash				
Unrestricted	\$ 3,914,675	\$ -	\$ -	\$ 3,914,675
Restricted	26,013,448	-	-	26,013,448
Receivables				
Accounts receivable	1,394	-	-	1,394
Due from other funds	913,783	-	(913,783)	-
Due from state and federal	3,016,303	-	-	3,016,303
Due from other governments	11,283	-	-	11,283
Inventories	53,448	-	-	53,448
Land, buildings and equipment (net)	-	86,583,269	-	86,583,269
Total assets	<u>\$ 33,924,334</u>	<u>\$ 86,583,269</u>	<u>\$ (913,783)</u>	<u>\$ 119,593,820</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Defeasance on bond refunding	-	1,282,949	-	1,282,949
Pensions	-	12,096,103	-	12,096,103
Other postemployment benefits	-	2,810,585	-	2,810,585
Total deferred outflows of resources	<u>-</u>	<u>16,189,637</u>	<u>-</u>	<u>16,189,637</u>
Total assets and deferred outflows of resources	<u>\$ 33,924,334</u>	<u>\$ 102,772,906</u>	<u>\$ (913,783)</u>	<u>\$ 135,783,457</u>
<b>LIABILITIES</b>				
Payables				
Accounts payable	\$ 305,962	\$ -	\$ -	\$ 305,962
Accrued liabilities	642,045	-	-	642,045
Due to teachers' retirement system	1,433,541	-	-	1,433,541
Due to employees' retirement system	184,392	-	-	184,392
Bond anticipation note payable	32,666,850	-	-	32,666,850
Bonds payable	-	28,582,549	-	28,582,549
Other postemployment benefits payable	-	16,684,053	-	16,684,053
Interest payable	-	86,087	-	86,087
Due to other funds	913,783	-	(913,783)	-
Workers compensation	-	713,187	-	713,187
Compensated absences	-	1,937,799	-	1,937,799
Net pension liability- proportionate share	-	2,541,731	-	2,541,731
Total liabilities	<u>36,146,573</u>	<u>50,545,406</u>	<u>(913,783)</u>	<u>85,778,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	-	5,817,834	-	5,817,834
Other postemployment benefits	-	3,277,091	-	3,277,091
Total deferred inflows of resources	<u>-</u>	<u>9,094,925</u>	<u>-</u>	<u>9,094,925</u>
<b>FUND BALANCE/NET POSITION</b>				
Total fund balance/net position (deficit)	<u>(2,222,239)</u>	<u>43,132,575</u>	<u>-</u>	<u>40,910,336</u>
Total liabilities, deferred inflows of resources and fund balance/net position	<u>\$ 33,924,334</u>	<u>\$ 102,772,906</u>	<u>\$ (913,783)</u>	<u>\$ 135,783,457</u>

See notes to basic financial statements

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2021**

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>						
Real property taxes	\$ 17,578,623	\$ -	\$ -	\$ -	\$ -	\$ 17,578,623
Nonproperty taxes	5,814	-	-	-	-	5,814
Charges for services	2,797	-	-	-	-	2,797
Use of money and property	21,271	-	71	258,517	-	279,859
Sale of property and compensation for loss	48,918	-	-	-	-	48,918
Miscellaneous	1,219,956	-	5,268	-	-	1,225,224
State sources	28,431,829	342,066	18,531	-	-	28,792,426
Federal sources	384,572	1,221,988	567,107	-	-	2,173,667
Sales - School Lunch	-	-	6,325	-	-	6,325
Total revenues	<u>47,693,780</u>	<u>1,564,054</u>	<u>597,302</u>	<u>258,517</u>	<u>-</u>	<u>50,113,653</u>
<b>EXPENDITURES</b>						
General support	5,374,176	-	300,444	-	-	5,674,620
Instruction	20,019,924	1,625,602	-	-	-	21,645,526
Pupil transportation	1,370,274	-	-	-	-	1,370,274
Employee benefits	9,259,366	-	77,751	-	-	9,337,117
Debt service						
Principal	3,806,881	-	-	-	-	3,806,881
Interest	2,014,242	-	-	-	-	2,014,242
Cost of sales	-	-	250,920	-	-	250,920
Capital outlay	393,097	-	-	-	9,909,234	10,302,331
Total expenditures	<u>42,237,960</u>	<u>1,625,602</u>	<u>629,115</u>	<u>-</u>	<u>9,909,234</u>	<u>54,401,911</u>
Excess (deficiency) of revenues over expenditures	<u>5,455,820</u>	<u>(61,548)</u>	<u>(31,813)</u>	<u>258,517</u>	<u>(9,909,234)</u>	<u>(4,288,258)</u>
<b>OTHER FINANCING SOURCES AND USES</b>						
Proceeds from serial bonds	-	-	-	-	419,188	419,188
Operating transfers in	137,006	61,548	-	-	100,000	298,554
Operating transfers (out)	(161,548)	-	-	(137,006)	-	(298,554)
Total other sources (uses)	<u>(24,542)</u>	<u>61,548</u>	<u>-</u>	<u>(137,006)</u>	<u>519,188</u>	<u>419,188</u>
Excess (deficiency) of revenues and other sources over Expenditures and other (uses)	<u>5,431,278</u>	<u>-</u>	<u>(31,813)</u>	<u>121,511</u>	<u>(9,390,046)</u>	<u>(3,869,070)</u>
Fund balance - beginning of year, as restated	<u>19,236,966</u>	<u>-</u>	<u>297,017</u>	<u>1,494,665</u>	<u>(19,381,817)</u>	<u>1,646,831</u>
Fund balance - end of year	<u>\$ 24,668,244</u>	<u>\$ -</u>	<u>\$ 265,204</u>	<u>\$ 1,616,176</u>	<u>\$ (28,771,863)</u>	<u>\$ (2,222,239)</u>

See notes to basic financial statements

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in**  
**Fund Balances to the Statement of Activities**  
**For the Year Ended June 30, 2021**

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
<b>REVENUES</b>					
Real property taxes	\$ 17,578,623	\$ -	\$ -	\$ -	\$ 17,578,623
Nonproperty taxes	5,814	-	-	-	5,814
Charges for services	2,797	-	-	-	2,797
Use of money and property	279,859	-	-	-	279,859
Sale of property and compensation for loss	48,918	-	-	-	48,918
Miscellaneous	1,225,224	-	-	-	1,225,224
State sources	28,792,426	-	-	-	28,792,426
Federal sources	2,173,667	-	-	-	2,173,667
Sales - school lunch	6,325	-	-	-	6,325
Total revenues	<u>50,113,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,113,653</u>
<b>EXPENDITURES/EXPENSES</b>					
General support	5,674,620	(232,966)	185,795	-	5,627,449
Instruction	21,645,526	2,389,000	1,467,778	-	25,502,304
Pupil transportation	1,370,274	-	204,374	-	1,574,648
Employee benefits	9,337,117	(534,460)	-	(866,415)	7,936,242
Debt service - principal	3,806,881	-	-	(3,806,881)	-
Debt service - interest	2,014,242	-	-	102,678	2,116,920
Cost of sales	250,920	-	-	-	250,920
Capital outlay	10,302,331	-	(10,302,331)	-	-
Total expenditures/expenses	<u>54,401,911</u>	<u>1,621,574</u>	<u>(8,444,384)</u>	<u>(4,570,618)</u>	<u>43,008,483</u>
Excess (deficiency) of revenues over expenditures/expenses	<u>(4,288,258)</u>	<u>(1,621,574)</u>	<u>8,444,384</u>	<u>4,570,618</u>	<u>7,105,170</u>
<b>OTHER SOURCES AND USES</b>					
Proceeds from serial bonds	419,188	-	-	(419,188)	-
Operating transfers in	298,554	(298,554)	-	-	-
Operating transfers out	(298,554)	298,554	-	-	-
Total other sources (uses)	<u>419,188</u>	<u>-</u>	<u>-</u>	<u>(419,188)</u>	<u>-</u>
Net change for the year	<u>\$ (3,869,070)</u>	<u>\$ (1,621,574)</u>	<u>\$ 8,444,384</u>	<u>\$ 4,151,430</u>	<u>\$ 7,105,170</u>

See notes to basic financial statements

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies**

The financial statements of the Phoenix Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine (9) members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

i) Extraclassroom Activity Funds

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

B) Joint venture:

The District is a component district in Oswego County Board of Cooperative Educational Services (BOCES). A Board of Cooperative Educational Services (BOCES) is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component. There are 9 participating school districts, including Phoenix in BOCES. The participation in BOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to BOCES. The District has an ongoing financial interest since BOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in BOCES. The District does not control the financial or operating policies of BOCES, however, it has an ongoing financial responsibility since the continued existence of BOCES depends on continued funding from the participating school districts.

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

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

During the year, the District was billed approximately \$5,038,000 for BOCES administrative and program costs. The District's share of BOCES aid amounted to approximately \$2,634,000.

Financial statements for the BOCES are available from the BOCES administrative office at 179 County Route 64, Mexico, New York 13114. As of June 30, 2019 (the most recent available audited financial statements), BOCES has a total net position (deficit) of (\$91,775,168).

C) Basis of presentation:

i) District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. 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, while the capital grants column reflects capital-specific grants.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

C) Basis of presentation (continued):

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

ii) Funds statements:

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

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. Special revenue funds include the following:

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.

School Lunch Fund: Used to account for transactions of the lunch and breakfast programs.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of the related bonds outstanding.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

D) Measurement focus and basis of accounting:

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

The District-wide 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, State Aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from State Aid 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 90 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup> and become a lien on August 31<sup>st</sup>. Taxes were collected during the period September 1<sup>st</sup> to October 31<sup>st</sup>.

Uncollected real property taxes are subsequently enforced by the Counties of Oswego and Onondaga (the counties), in which the District is located. The counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1<sup>st</sup>.

F) Restricted resources:

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

G) Interfund transactions:

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

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different funds. Eliminations have been made for all interfund receivables and payables between the funds.

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

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

H) Estimates:

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

I) Cash and investments:

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

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

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

J) Accounts receivable:

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and prepaid items:

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

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

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

L) Capital assets:

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their fair acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and Improvements	\$ 50,000	Straight Line	15-50 years
Machinery and Equipment	5,000	Straight Line	5-25 years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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M) Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth 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.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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N) Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

Plan Description and Benefits Provided:

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

N) Pension Obligations (continued)

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

	NYSTRS	NYSERS
2021	\$ 1,459,026	\$ 630,428
2020	1,720,288	612,767
2019	1,649,475	603,939

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

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

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/ (liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	4/1/2020	6/30/2019
Net pension asset/ (liability)	\$ (15,639)	\$ (2,526,092)
District's portion of the Plan's total net pension asset/ (liability)	0.0157063%	0.091417%

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

N) Pension Obligations (continued)

For the year ended June 30, 2021, the District recognized its proportionate share of pension expense of \$420,460 for ERS and the actuarial value \$3,503,273 for TRS. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 190,999	\$ 2,213,362	\$ -	\$ 129,458
Changes of assumption	2,875,579	3,194,918	54,234	1,138,821
Net difference between projected and actual earnings on pension plan investments	-	1,649,759	4,492,553	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	110,653	401,807	2,768	-
District's contribution subsequent to the measurement date	-	1,459,026	-	-
<b>Total</b>	<b>\$ 3,177,231</b>	<b>\$ 8,918,872</b>	<b>\$ 4,549,555</b>	<b>\$ 1,268,279</b>

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2022 for ERS and June 30, 2021 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	ERS	TRS
2022	(225,557)	1,086,317
2023	(65,311)	2,088,732
2024	(224,756)	1,719,171
2025	(856,701)	1,078,142
2026	-	84,991
Thereafter	-	134,214
	<b>\$ (1,372,325)</b>	<b>\$ 6,191,567</b>

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

N) Pension Obligations (continued)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	1.90%-4.72%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.20%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale AA. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

N) Pension Obligations (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS		TRS	
	Target	Long-term	Target	Long-term
	Allocation	expected Real	Allocation	expected Real
	2021	rate of return	2020	rate of return
		2021		2020
Domestic equity	32%	4.05%	33%	7.10%
International equity	15%	6.30%	16%	7.70%
Real estate	9%	4.95%	11%	6.80%
Private equities	10%	6.75%	8%	10.40%
Domestic fixed income securities	23%	0.00%	16%	1.80%
Global fixed income securities	0%	0.00%	2%	1.00%
Mortgages	0%	0.00%	0%	0.00%
Short-term	0%	0.00%	0%	0.00%
High-yield fixed income securities	0%	0.00%	1%	3.90%
Private debt	0%	0.00%	1%	5.20%
Real estate debt	0%	0.00%	7%	3.60%
Opportunistic portfolio	3%	4.50%	0%	0.00%
Cash	1%	0.50%	1%	7.00%
Inflation-indexed bonds	0%	0.00%	0%	0.00%
Absolute return strategies *	0%	0.00%	0%	0.00%
Global equities	0%	0.00%	4%	7.40%
Real assets	3%	5.95%	0%	0.00%
Credit	4%	3.63%	0%	0.00%
	100%	5.90%	100%	7.10%

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

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

*Discount Rate*

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes the contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/ (liability).

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

N) Pension Obligations (continued)

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

The following represents the District's proportionate share of the net pension asset/(liability) as of June 30, 2021 calculated using the discount rate of 5.90% of ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 6.10% for TRS) or 1-percentage point higher (6.90% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (4,340,889)	\$ (15,639)	\$ (3,973,253)
TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	\$ (15,956,450)	\$ (2,526,092)	\$ 8,745,383

*Changes of assumption*

Change of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

*Collective Pension Expense*

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflow of resources and deferred inflow of resources for the current period. The collective pension expense for the year ended June 30, 2021 is \$2,312,200,000 for ERS and \$3,727,814,187 for TRS.

*Payables to the Pension Plan*

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS covered wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$1,433,341.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$184,392.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

O) Unearned and deferred revenues:

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

P) Vested employee benefits:

Compensated absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation.

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

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

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

Q) Other benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

R) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

S) Accrued liabilities and long-term obligations:

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

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

T) Equity Classifications

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

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

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

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

Funds statements: 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 \$53,448.

**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:

Capital

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

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

T) Equity Classifications (continued)

Liability Claims and Property Loss

According to Education Law §1709(8) (c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund.

Retirement Contributions

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Tax Certiorari Reserve

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

Unemployment Insurance Reserve

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of certain significant accounting policies** (continued)

T) Equity Classifications (continued)

Workers' Compensation Reserve Fund

According to General Municipal Law §6-j, all expenditures made from the worker's compensation reserve fund must be 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. This reserve is accounted for in the General Fund.

Insurance Reserve Fund

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

Restricted fund balance includes the following:

General fund:	
Capital	\$ 4,344,807
Employee benefit accrued liability	2,303,273
Liability claims and property loss	250,732
Retirement contributions	8,161,339
Workers comp reserve	2,518,389
Insurance reserve	2,000,000
Tax certiorari	50,000
TRS retirement	566,848
Reserve for scholarships	44,664
Reserve for buses	92,814
Unemployment insurance	135,869
	<u>\$ 20,468,735</u>
Debt service fund	1,616,176
Total restricted funds	<u>\$ 22,084,911</u>

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

T) Equity Classifications (continued)

**Committed** – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the districts highest level of decision making authority, i.e., the Board of Education. The District has \$70,585 of committed fund balances as of June 30, 2021 for extraclassroom activities.

**Assigned** – includes amounts that are constrained by the school district’s intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances in the General Fund amounted to \$259,715. Any remaining fund balance in other funds is considered assigned. The School Lunch Fund also reports assigned fund balance of \$211,756. As of June 30, 2021, the District's General Fund encumbrances were classified as follows:

General Support	\$ 46,217
Instruction	211,637
Pupil Transportation	<u>1,861</u>
	<u>\$ 259,715</u>

**Unassigned** – includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted 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 budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year.

Net Position/Fund Balance

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

T) Equity Classifications (continued)

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

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

U) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standards issued by GASB:

- GASB Statement No. 84- *Fiduciary Activities* Effective for the year ending June 30, 2021
- GASB Statement No. 90- *Accounting and Financial Reporting for Majority Equity Interest*. Effective for the year ended June 30, 2021.

The adoption of GASB No. 84 resulted in the removal of the District's Fiduciary statements, reclassification of those previously reported activities in the general fund, and restatement of net position in the general fund by \$128,068.

V) Future Changes in Accounting Standards

- GASB Statement No. 87- *Leases* Effective for the year ending June 30, 2022
- GASB Statement No. 89- *Accounting for Interest Cost Incurred before the End of a Construction Period* Effective for the year ending June 30, 2022.
- GASB Statement No. 91- *Conduct Debt Obligations* Effective for the year ending June 30, 2023.
- GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022.
- GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending
- June 30, 2021 (paragraphs 11b, 13, and 14 are effective for the year ending June 30, 2022).
- GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment*
- *Arrangements*, effective for the year ending June 30, 2023.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of certain significant accounting policies** (continued)

V) Future Changes in Accounting Standards (continued)

- GASB has issued Statement No. 96 - *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.
- GASB has issued Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 2020).

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

**Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements**

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District’s governmental funds differ from “Net Position” of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits. This reconciliation is performed on page 17.

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

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. This reconciliation is performed on page 19.

i) Long-term revenue and expense differences:

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements** (continued)

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

iv) Pension differences:

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

v) OPEB differences:

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

**Note 3 – Stewardship, compliance and accountability**

Budgets:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted: The voters of the District approved the proposed appropriation budget for the General Fund on June 16, 2020.

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. In 2021, grants were awarded after budget approval.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 3 – Stewardship, compliance and accountability** (continued)

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the aggregate encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2021.

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

**Encumbrances**

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

The Capital Projects Fund has a deficit fund balance of (\$28,771,863). This will be funded when the District obtains permanent financing for its current construction project.

**Note 4 – Cash (and cash equivalents)**

**Cash and Investments**

The District's aggregate bank balances of approximately \$30,873,000 are insured and/or collateralized. Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$26,013,448 within the governmental funds for various fund balance reserves in the general fund, debt service and voter approved capital project.

**Deposits**

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2021, all deposits were fully insured and collateralized by the District's agent in the District's name.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 4 – Cash (and cash equivalents)** (continued)

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 5 – Capital assets**

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

	Balance at June 30, 2020	Additions	Retirements/ Reclassifications	Balance at June 30, 2021
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 186,900	\$ -	\$ -	\$ 186,900
Construction in progress	27,182,619	9,417,607	-	36,600,226
Total nondepreciable historical cost	<u>27,369,519</u>	<u>9,417,607</u>	<u>-</u>	<u>36,787,126</u>
Capital assets that are depreciated:				
Building and improvements	81,650,671	185,769	-	81,836,440
Machinery and equipment	6,615,650	698,955	(375,240)	6,939,365
Total depreciable historical cost	<u>88,266,321</u>	<u>884,724</u>	<u>(375,240)</u>	<u>88,775,805</u>
Less accumulated depreciation:				
Building and improvements	(33,752,943)	(1,256,348)	-	(35,009,291)
Machinery and equipment	(3,744,012)	(601,599)	375,240	(3,970,371)
Total accumulated depreciation	<u>(37,496,955)</u>	<u>(1,857,947)</u>	<u>375,240</u>	<u>(38,979,662)</u>
Total historical cost, net	<u>\$ 78,138,885</u>	<u>\$ 8,444,384</u>	<u>\$ -</u>	<u>\$ 86,583,269</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 185,795
Instruction	1,467,778
Pupil transportation	204,374
	<u>\$ 1,857,947</u>

**Note 6 – Short-Term Debt**

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	7/10/2020	2.25%	<u>\$ 19,000,000</u>	<u>-</u>	<u>19,000,000</u>	<u>\$ -</u>
BAN	7/8/2021	1.25%	<u>\$ -</u>	<u>32,666,850</u>	<u>-</u>	<u>\$ 32,666,850</u>

The BAN is a general obligation of the District. The purpose of the BAN is to provide financing for capital projects in anticipation of permanent bond financing for the project.

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

Interest paid	\$ 425,035
Less interest accrued in the prior year	-
Plus interest accrued in the current year	407,201
Total expense	<u>\$ 832,236</u>

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 7 – Long-term debt obligations**

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation or expenditure of governmental fund financial resources.

**Serial Bonds**

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital asset. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

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

	<u>Balance at June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Bonds payable:					
Serial bonds	\$ 31,970,242	\$ 419,188	\$ (3,806,881)	\$ 28,582,549	\$ 3,945,161
Other postemployment					
benefits payable	\$ 14,247,464	\$ 2,436,589	\$ -	\$ 16,684,053	\$ 2,436,589
Workers compensation	286,516	426,671	-	713,187	713,187
Compensated absences	3,230,885	-	(1,293,086)	1,937,799	484,450
Net pension liability	4,073,955	-	(1,532,224)	2,541,731	-
<b>Total</b>	<u>\$ 53,809,062</u>	<u>\$ 3,282,448</u>	<u>\$ (6,632,191)</u>	<u>\$ 50,459,319</u>	<u>\$ 7,579,387</u>

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences. Existing serial and statutory bond obligations:

	<u>Year of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2021</u>
Serial bonds:				
BOCES Bond	2014	2029	2.0%-3.0%	\$ 2,100,000
Construction	2015	2038	3.0%-5.0%	1,500,000
Construction	2015	2038	3.0%-5.0%	14,275,000
DASNY Bond	2016	2030	Various	1,385,000
Bond Premium	2016	2030	Various	254,450
Bus Purchase	2016	2022	1.6%-1.75%	105,000
Bus Purchase	2017	2023	1.92%	195,000
2010 Refunding	2017	2028	2.0%-5.0%	6,970,000
2010 Refunding Premium	2017	2028	Various	718,911
Bus Bond	2018	2023	2.5% - 2.625%	280,000
Bus Bond	2019	2024	1.85%	380,000
Bus Bond	2020	2026	1.10%	419,188
				<u>\$ 28,582,549</u>

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 7 – Long-term debt obligations** (continued)

The following is a summary of the maturity of long-term indebtedness:

Year ended June 30,	Serial Bonds	
	Principal	Interest
2022	\$ 3,945,161	\$ 1,187,876
2023	4,020,974	1,032,851
2024	3,580,973	873,029
2025	3,474,080	727,972
2026	2,303,272	587,113
2027-2031	7,333,089	1,540,988
2032-2036	2,500,000	682,938
2037-2041	1,425,000	91,875
<b>Totals</b>	<b>\$ 28,582,549</b>	<b>\$ 6,724,642</b>

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

Interest paid	\$ 1,187,848
Less interest accrued in the prior year	(91,929)
Plus interest accrued in the current year	86,087
	<u>\$ 1,182,006</u>

Defeased Debt

In prior years, the District refunded approximately \$18,880,000 of 2008 serial bonds for approximately \$19,630,000 of 2015 serial bonds for a defeasance of refunded debt of \$1,060,000. This defeasance of debt has been recorded as a deferred outflow of resources and will be amortized over a period of 24 years, the life of the bond. This amortization results in annual reduction of interest expense of \$46,087.

In prior years, \$8,730,000 in general obligation bonds were issued to advance refund \$9,005,000 of 2010 outstanding bonds. The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on those bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding created a defeasance of refunded debt of \$686,772. This defeasance of has been recorded as a deferred outflow of resources and will be amortized over a period of 11 years, the life of the bond. This amortization results in annual reduction of interest expense of \$62,434.

The total defeasance on bond refunding is recorded as a deferred outflow of resources on the government wide statement of net position and approximated \$1,283,000 at June 30, 2021.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 8 – Pension plans**

General Information

The District participates in the New York State Employees’ Retirement System (NYSERS) and the New York State Teachers’ Retirement System (NYSTRS). These 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. See Note 1 for further plan details.

**Note 9 – Interfund balances and activity**

	Interfund			
	Receivable	Payable	Revenue	Expenditure
General fund	\$ 913,362	\$ -	\$ 137,006	\$ 161,548
Special aid fund	-	700,895	61,548	-
School lunch fund	-	212,467	-	-
Capital fund	-	421	100,000	-
Debt service fund	421	-	-	137,006
Total government activities	\$ 913,783	\$ 913,783	\$ 298,554	\$ 298,554

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

During 2020-2021 the General Fund transferred \$61,548 to the Special Aid Fund for the District's share of the special education summer school program its students attended. The General Fund also transferred \$100,000 to the Capital Fund for the 2020-2021 capital outlay project. The Debt Service Fund transferred \$137,006 of BAN premium to the General Fund for use in repayment of debt.

**Note 10 – Post-employment benefits obligations payable**

*Plan Description-* The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Funding Policy-* The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2021, approximately \$504,310 was paid on behalf of 68 retirees.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 10 – Post-employment benefits obligations payable** (continued)

*Benefits Provided-* The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

*Employees Covered by Benefit Terms –* At June 30, 2021 the following employees were covered by the benefit terms:

Retirees and survivors	69
Actives	342
	411

*Net OPEB Liability*

The District's total OPEB liability of \$16,684,053 was measured as of July 1, 2020, and was determined by an actuarial valuation as of June 30, 2021.

*Actuarial Assumptions and Other Inputs-* The total OPEB liability at June 30, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4% (Based on CPI)
Salary increases	Varied by years of service and retirement system
Discount rate	2.21% (Bond Buyer GO 20-Bond Municipal Bond Inex)
Healthcare cost trend rates	
Medical	6.5 % for 2022 decrease to an ultimate rate of 3.94% by 2091

The Discount rate was based on Bond Buyer Weekly 20-Bond GO Index

Mortality rates were based on RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale AA.

Retirement participation rate assumed that 85% of eligible Teachers and Instructional Administrators and 75% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 48% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 10 – Post-employment benefits obligations payable** (continued)

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

Balance at June 30, 2020	\$	14,247,464
<u>Changes for the year</u>		
Service cost		454,600
Interest		505,500
Changes of benefit terms		(395,063)
Differences between expected and actual experience		953,589
Changes in assumptions or other inputs		1,436,364
Benefit payments		<u>(518,401)</u>
Net changes		<u>2,436,589</u>
Balance at June 30, 2021	\$	<u><u>16,684,053</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% in 2020 to 2.21% in 2021.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 18,014,467</u>	<u>\$ 16,684,053</u>	<u>\$ 15,427,820</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 or 1 percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 14,928,301</u>	<u>\$ 16,684,053</u>	<u>\$ 18,733,371</u>

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 10 – Post-employment benefits obligations payable (continued)**

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$167,674. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 841,270	\$ 1,610,067
Changes of assumptions or other inputs	1,267,181	1,667,024
Contributions subsequent to the measurement period	702,134	-
	\$ 2,810,585	\$ 3,277,091

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

Year Ended June 30,	Amount
2022	\$ (397,363)
2023	(397,363)
2024	(397,363)
2025	(308,365)
2026	(203,894)
2027 and thereafter	535,708
	\$ (1,168,640)

**Note 11 – Risk management**

General:

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 11 – Risk management** (continued)

Workers' Compensation: The District incurs costs related to the Onondaga-Cortland-Madison BOCES Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdrawal must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of thirty-one districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment.

However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2021, the Phoenix Central School District incurred premiums or contribution expenditures totaling \$248,287.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available is for the year ended June 30, 2021. The District's outstanding case reserves at June 30, 2021 approximated \$713,000.

**Unemployment:**

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2020-21 fiscal year totaled \$22,925. The balance of the fund at June 30, 2021 was \$135,869 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2021, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 11 – Risk management** (continued)

Health Insurance: The District incurs costs related to an employee health insurance plan (plan). The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of five years; a member may withdraw from the plan after that time by providing written intent to withdraw on or before January 1st of the commencement of the school year for which the withdrawal is intended to be effective. In the event of a withdrawal, the consortium may determine any sums which are due and owed to the plan or participant. The Cooperative Health Insurance Fund of Central New York consortium has twenty-eight (28) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a pro-rata supplemental assessment in the event of deficiencies.

If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. All plan cash accounts are collateralized by securities held by the financial institution where deposits are made. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount.

Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$4,822,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

**Note 12 – Commitments and contingencies**

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

New York State Education Law requires that most capital projects require approval by the New York Office of Facilities Planning. New York State provides building aid for certain type of capital projects undertaken by school districts. Building aid is subject to numerous reporting requirements. The failure to adhere to these reporting requirements could lead to the refund of building aid already received and the loss of future aid on these particular capital projects. Building aid represents a significant source of financing for the Districts' financing of such projects and any loss or refund of building aid could have a significant impact on these financial statements.

**Note 13 – Donor-restricted endowments**

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments are reported at fair value. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 14 – Unrestricted Net Position**

Unrestricted net position in the general fund consist of the following at June 30, 2021:

Reserve for encumbrances	\$ 259,715
Unreserved	<u>3,869,209</u>
Total unrestricted net position general fund	<u>\$ 4,128,924</u>

**Note 15 – Subsequent Events**

Management has evaluated subsequent events through October 5, 2021, which is the date the financial statements were available to be issued. On July 7, 2021 the District issued a Bond Anticipation Note (BAN) for \$32,215,000 at an interest rate of 1% to be repaid June 30, 2022. On August 20, 2021, the District issued serial bonds for approximately \$496,000 at an interest rate of 1% to be repaid annually through August 15, 2027.

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedules of Changes in the District's Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2021**

	2021	2020	2019	2018
Measurement date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability	\$ 16,684,053	\$ 14,247,464	\$ 14,175,351	\$ 17,660,749
Service cost	454,600	469,407	585,723	704,570
Interest	505,500	556,075	645,580	539,242
Changes in benefit terms	(395,063)	-	(491,242)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	953,589	-	(2,531,862)	-
Changes in assumptions or other inputs	1,436,364	(401,570)	(1,066,235)	(1,458,754)
Benefit payments	(518,401)	(551,799)	(627,362)	(681,098)
Net change in total OPEB liability	2,436,589	72,113	(3,485,398)	(896,040)
Total OPEB liability- beginning	\$ 14,247,464	\$ 14,175,351	\$ 17,660,749	\$ 18,556,789
Total OPEB liability- ending	\$ 16,684,053	\$ 14,247,464	\$ 14,175,351	\$ 17,660,749
Covered payroll	\$ 21,071,978	\$ 20,972,636	\$ 20,828,871	\$ 19,678,000
Total OPEB liability as a percentage of covered payroll	79%	68%	68%	90%

**Note:**

The District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information - Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund**  
**For the Year Ended June 30, 2021**

	Unaudited		Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual
	Original Budget	Final Budget			
<b>REVENUES</b>					
Local sources					
Real property taxes	\$ 17,426,873	\$ 17,426,873	\$ 17,481,213		\$ 54,340
Other tax items	41,719	41,719	97,410		55,691
Nonproperty taxes	7,500	7,500	5,814		(1,686)
Charges for services	3,500	3,500	2,797		(703)
Use of money and property	12,000	12,000	21,271		9,271
Sale of property and compensation for loss	13,500	13,500	48,918		35,418
Miscellaneous	310,000	310,000	1,219,956		909,956
Total local sources	17,815,092	17,815,092	18,877,379		1,062,287
State sources	28,503,098	28,503,098	28,431,829		(71,269)
Medicaid	45,000	45,000	103,264		58,264
Federal sources	-	-	281,308		281,308
Total revenues	46,363,190	46,363,190	47,693,780		1,330,590
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	587,000	587,000	137,006		(449,994)
Total revenues and other sources	46,950,190	46,950,190	47,830,786		880,596
<b>EXPENDITURES</b>					
General support					
Board of education	18,600	18,600	15,769	-	2,831
Central administration	270,907	270,838	267,334	-	3,504
Finance	515,293	513,767	479,930	-	33,837
Staff	194,800	194,800	140,862	-	53,938
Central services	3,764,272	3,918,760	3,497,766	46,217	374,777
Special items	957,304	957,304	972,515	-	(15,211)
Total general support	5,721,176	5,874,069	5,374,176	46,217	453,676
Instruction					
Administration and improvement	1,686,054	1,731,912	1,579,963	2,715	149,234
Teaching - regular school	11,745,645	11,810,460	10,693,753	52,062	1,064,645
Programs for students with disabilities	5,143,322	4,479,653	3,674,345	121,937	683,371
Occupational education	700,000	700,000	638,600	-	61,400
Teaching - special schools	535,472	535,472	181,124	-	354,348
Instructional media	1,778,533	2,175,210	1,944,590	34,923	195,697
Pupil services	1,649,261	1,676,709	1,307,549	-	369,160
Total instruction	23,238,287	23,109,416	20,019,924	211,637	2,877,855
Pupil transportation	2,176,452	2,175,978	1,763,371	1,861	410,746
Employee benefits	10,231,081	10,536,310	9,259,366	-	1,276,944
Debt service	5,781,007	5,781,007	5,821,123	-	(40,116)
Total expenditures	47,148,003	47,476,780	42,237,960	259,715	4,979,105
<b>OTHER FINANCING USES</b>					
Transfer to other funds	187,500	187,500	161,548	-	25,952
	187,500	187,500	161,548	-	25,952
Total expenditures and other uses	\$ 47,335,503	\$ 47,664,280	42,399,508	\$ 259,715	\$ 5,005,057
Net change in fund balance			5,431,278		
Fund balance - beginning, as restated			19,236,966		
Fund balance - ending			\$ 24,668,244		

**Notes to Required Supplementary Information**

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**For the Last Seven Fiscal Years Ended June 30**

<i>Teachers' Retirement System</i>							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,459,026	\$ 1,720,288	\$ 1,649,475	\$ 1,449,625	\$ 1,832,971	\$ 1,994,304	\$ 2,672,413
Contributions in relation to the contractually required contribution	1,459,026	1,720,288	1,649,475	1,449,625	1,832,971	1,994,304	2,672,413
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 15,309,822	\$ 19,416,343	\$ 15,531,780	\$ 14,792,092	\$ 15,639,684	\$ 15,040,000	\$ 15,244,797
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%
<i>Employees' Retirement System</i>							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 630,428	\$ 612,767	\$ 603,939	\$ 608,944	\$ 608,465	\$ 728,746	\$ 684,888
Contributions in relation to the contractually required contribution	630,428	612,767	603,939	608,944	608,465	728,746	684,888
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,762,156	\$ 1,556,293	\$ 5,297,091	\$ 4,885,908	\$ 5,485,600	\$ 4,997,120	\$ 5,232,375
Contributions as a percentage of covered payroll	11%	39%	11%	12%	11%	15%	13%

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Schedule of District's Proportionate Share of the Net Pension Asset (Liability)**  
**For the Seven Fiscal Years Ended June 30**

	<i>Teachers' Retirement System</i>						
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.091417%	0.093051%	0.095516%	0.098099%	0.098798%	0.100201%	0.102798%
District's proportionate share of the net pension asset (liability)	\$ (2,526,092)	\$ 2,417,480	\$ 1,727,179	\$ 745,649	\$ (1,058,166)	\$ 12,429,229	\$ 14,089,631
District's covered payroll	\$ 15,309,822	\$ 19,416,343	\$ 15,531,780	\$ 14,792,092	\$ 15,639,684	\$ 15,040,000	\$ 15,244,797
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-16%	12%	11%	5%	-7%	83%	92%
Plan fiduciary net position as a percentage of the total pension asset (liability)	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
	<i>Employees' Retirement System</i>						
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.0157063%	0.0153847%	0.0152775%	0.0154044%	0.0151410%	0.0145348%	0.0141592%
District's proportionate share of the net pension asset (liability)	\$ (15,639)	\$ (4,073,955)	\$ (1,082,458)	\$ (497,169)	\$ (1,422,686)	\$ (2,332,872)	\$ (478,333)
District's covered payroll	\$ 5,762,156	\$ 1,556,293	\$ 5,297,091	\$ 4,885,908	\$ 5,485,600	\$ 4,997,120	\$ 5,232,375
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	0%	262%	20%	10%	26%	47%	9%
Plan fiduciary net position as a percentage of the total pension asset (liability)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Schedules of Change from Adopted Budget to Final Budget**  
**and the Real Property Tax Limit**  
**For the Year Ended June 30, 2021**

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**CHANGE FROM ADOPTED TO REVISED BUDGET**

Adopted budget	\$ 47,335,503
Add prior year's encumbrances	<u>328,777</u>
Original budget	47,664,280
Budget revision:	<u>-</u>
Revised budget	<u><u>\$ 47,664,280</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2021-22 voter-approved expenditure budget	
maximum allowed (4% of 2021-22 budget)	\$ 49,518,145
General fund balance subject to Section 1318 of Real Property Tax Law*:	
Unrestricted fund balance:	
Assigned fund balance	259,715
Unassigned fund balance	<u>3,869,209</u>
Total unrestricted fund balance	<u><u>4,128,924</u></u>
Less:	
Appropriated fund balance	-
Encumbrances included in committed and assigned fund balance	<u>259,715</u>
Total adjustments	<u><u>259,715</u></u>
General fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,869,209</u></u>
Actual percentage	7.81%

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

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Schedule of Project Expenditures - Capital Projects Fund**  
**For the Year Ended June 30, 2021**

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance 06/30/2021
			Prior Years	Current Year	Transfers	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Buses 2020-2021	\$ 419,188	\$ 419,188	\$ -	\$ 405,857	\$ -	\$ 405,857	\$ 13,331	\$ 419,188	\$ -	\$ -	\$ 419,188	\$ 13,331
Buses 2019-2020	465,908	465,908	465,907	-	-	465,907	1	465,908	-	-	465,908	1
Capital Outlay 2019-2020	100,000	100,000	99,199	-	-	99,199	801	-	-	100,000	100,000	801
Capital Outlay 2020-2021	100,000	100,000	-	85,770	-	85,770	14,230	-	-	100,000	100,000	14,230
2020 Project	2,600,000	2,600,000	291,462	1,906,277	-	2,197,739	402,261	-	-	2,600,000	2,600,000	402,261
JCB Project	38,000,000	38,000,000	26,891,157	7,511,330	-	34,402,487	3,597,513	-	-	5,200,000	5,200,000	(29,202,487)
Total projects	<u>\$ 41,685,096</u>	<u>\$ 41,685,096</u>	<u>\$ 27,747,725</u>	<u>\$ 9,909,234</u>	<u>\$ -</u>	<u>\$ 37,656,959</u>	<u>\$ 4,028,137</u>	<u>\$ 885,096</u>	<u>\$ -</u>	<u>\$ 8,000,000</u>	<u>\$ 8,885,096</u>	<u>\$ (28,771,863)</u>

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

**PHOENIX CENTRAL SCHOOL DISTRICT**  
**Net Investment in Capital Assets**  
**For the Year Ended June 30, 2021**

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Capital assets, net		\$ 86,583,269
Deduct:		
Bond anticipation note payable	(32,666,850)	
Defeasance on bond refunding	(1,282,949)	
Short-term portion of bonds payable	(3,945,161)	
Long-term portion of bonds payable	(24,637,388)	
		<u>(62,532,348)</u>
Net investment in capital assets		<u>\$ 24,050,921</u>

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