

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**

**AUDIT REPORTING PACKAGE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS**  
**2020 REPORTING PACKAGE**

	<b><u>Section</u></b>
School District's Audited Financial Statements .....	1
School District's Management Letter .....	2
Extraclassroom Activity Fund Audited Financial Statement.....	3
Extraclassroom Activity Fund Management Letter .....	4
Letter to those Charged with Governance .....	5

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<u>Schedule</u>	<u>Page</u>
<b>Independent Auditor's Report</b> .....		1-2
<b>Management's Discussion and Analysis</b> .....		3-9
<b>Government-wide Financial Statements</b>		
Statement of Net Position .....	1	10
Statement of Activities .....	2	11
<b>Fund Financial Statements</b>		
Combined Balance Sheet - Governmental Funds.....	3	12
Combined Statement of Revenue, Expenditures and Changes in Fund Equity - Governmental Funds .....	4	13
Statement of Fiduciary Net Position .....	5	14
Statement of Changes in Fiduciary Net Position .....	6	15
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	7	16
Reconciliation of Governmental Funds Revenue, Expenditures and Changes in Fund Equity to the Statement of Activities.....	8	17
Notes to Financial Statements .....		18-36
<b>Supplementary Information</b>		
Combining Schedule of Revenue, Expenditures and Changes In Fund Equity - Budget and Actual - Governmental Funds.....	SS1&SS1A	37-38
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit.....	SS2	39
Schedule of Project Expenditures - Capital Projects Fund.....	SS3	40
Budget Comparison Statement for State and Other Grant Programs - Special Aid and Food Service Funds .....	SS4A	41
Notes to the Schedule of Expenditures of Federal Awards .....	SS4B	42
Schedule of Expenditures of Federal Awards .....	SS4C	42
Schedule of Net Investment in Capital Assets .....	SS5	43
Schedule of Changes in the District's Net OPEB Liability and Related Ratios.....	SS6	44
Schedule of District Contributions - OPEB.....	SS7	45
Schedule of District Contributions - New York State Teachers' Retirement System (NYSTRS) and New York State and Local Employees' Retirement System (NYSLERS) .....	SS8	46
Schedule of the District's Proportionate Share of the Net Pension Asset (Liability) - New York State Teachers' Retirement System (NYSTRS) and District's Proportionate Share of the Net Pension Liability - New York State and Local Employees' Retirement System (NYSLERS).....	SS9	47
<b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"</b> .....		48-49
<b>Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance</b> .....		50-51
<b>Schedule of Findings and Questioned Costs</b> .....		52-53
<b>Schedule of Prior Audit Findings</b> .....		54

**INDEPENDENT AUDITOR'S REPORT**

**To the President and Members of  
The Board of Education  
Campbell-Savona Central School District  
Campbell, New York**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of **Campbell-Savona Central School District** as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the **Campbell-Savona Central School District's** June 30, 2019 financial statements, and our report dated October 9, 2019, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's net OPEB liability and related ratios, schedule of District contributions – OPEB, schedule of the District's proportionate share of the net pension asset/liability, and the schedule of the District's contributions for defined benefit pension plans on pages 3 through 9, 37 through 38, and 44 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Campbell-Savona Central School District's** basic financial statements. The combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, the schedule of expenditures of federal awards, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the schedule of expenditures of federal awards, and other schedules 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 7, 2020 on our consideration of **Campbell-Savona Central School District's** internal control over financial reporting and 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Campbell-Savona Central School District's** internal control over financial reporting and compliance.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 7, 2020**

**I. Discussion and Analysis**

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

**II. Financial Highlights**

The following items are the financial highlights experienced by the **Campbell-Savona Central School District** during the fiscal year ended June 30, 2020:

- Overall net position from operations of the District increased during the current year in the amount of \$12,121,000 as compared to an increase of \$2,887,000 during the prior fiscal year.
- The District's total revenue decreased 4% from \$24,288,000 during June 30, 2019 to \$23,400,000 during June 30, 2020. This decrease was primarily the result of a decrease in state building aid.
- The District's total expenses decreased 47% from \$21,401,000 during the year ended June 30, 2019 to \$11,279,000 during the year ended June 30, 2020. This decrease was primarily related to a decrease in other post-employment benefits (OPEB) expense which was actuarial determined and included a significant change in benefit terms as a Medicare Advantage Health Insurance Plan replaced SAS Plan C for Medicare eligible retirees.
- The District's had capital outlays during the current year in the amount of \$2,347,000, which primarily related to the costs associated with a \$10.9 million capital project and acquisition of school buses.

**III. Overview of the Financial Statements**

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

**III. Overview of the Financial Statements  
(continued)**

**A. Reporting the School District as a Whole (District-wide Financial Statements):**

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

**1. Statement of Net Position**

The Statement of Net Position (page 10) shows the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the net position of the District. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

**2. Statement of Activities**

The Statement of Activities (page 11) shows the amounts of program-specific and general District revenue used to support the District's various functions.

The Statement of Net Position and Statement of Activities divide the activities of the District into two categories: governmental activities (the school functions, including general support, instruction, transportation, administration, etc.; property taxes, state and federal revenue usually support most of these functions) and proprietary activities. The District only had governmental activities during the current fiscal year.

The two district-wide statements report the School 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.

**III. Overview of the Financial Statements  
(continued)**

**B. Reporting the District's Most Significant Funds  
(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. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate column.

The District has two kinds of funds:

**1. 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 the balances left at year-end that are available for spending. Consequently the governmental funds

**III. Overview of the Financial Statements  
(continued)**

**B. Reporting the District's Most Significant Funds  
(Fund Financial Statements) (continued):**

**1. Governmental Funds (continued)**

statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

**2. Fiduciary Funds**

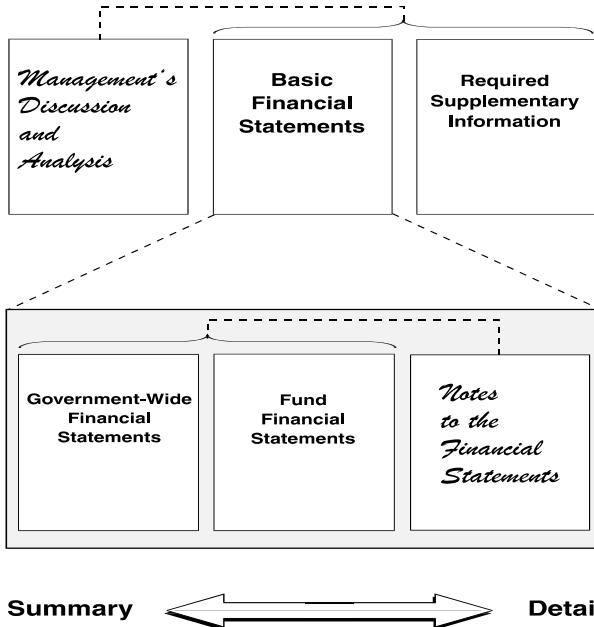
The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**Figure A-1 - Major Features of the District-Wide Statements and Fund Financial Statements**

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, all assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid



**Figure A-2 - Required Components of the District's Annual Financial Report**



**IV. Financial Analysis of the School District as a Whole (continued)**

Governmental Activities

Revenue of the District's governmental activities decreased approximately 4%, while total expenses decreased 47%. The District's net position from operations increased approximately \$12,121,000 during the fiscal year ended June 30, 2020.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$23,400,000 for the fiscal year ended June 30, 2020. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 23% of the District's total revenue for governmental activities. Tax revenue increased approximately 2% during the year ended June 30, 2020 as a result of an increase in the tax levy.
- The District's most significant revenue is state sources which represent \$16,076,000 or 68% of total governmental revenue. The District's state sources decreased approximately 5% with that of the prior year. This decrease was primarily related to a decrease in state building aid received in the current year.
- During the year ended June 30, 2020, the District saw a decrease in program revenue which mostly resulted from a decrease in operating grants and contributions which decreased \$44,000 as compared with the prior year revenue. This decrease was primarily due to a decrease IDEA grant allocation in the current year.

**IV. Financial Analysis of the School District as a Whole**

Net Position

The District's total reporting entity net position was approximately \$18,875,000. The components of net position include: net investment in capital assets of \$51,199,000; restricted net position of \$3,158,000; and unrestricted net position deficit of \$35,482,000 as of June 30, 2020.

Changes in Net Position

The District's total government-wide revenue decreased by approximately 4% to \$23,400,000. Approximately 23%, 6% and 68% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 3% comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

The total cost of all programs and services of the District decreased 47% to \$11,279,000. The District's expenses cover a range of services, with 58% related to instruction and 28% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

**IV. Financial Analysis of the School District as a Whole (continued)**

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$11,279,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support decreased by approximately \$939,000 or 23% which was primarily related to a decrease in actuarial determined OPEB expense related to a change in benefits.
- The District's instruction costs decreased approximately \$8,193,000 or 56% which was primarily the result of decrease in actuarial determined OPEB expense related to a change in benefits.
- Debt service of the District decreased approximately \$91,000 during the year ended June 30, 2020, which was primarily the result of a decrease in interest expense.
- Transportation costs of the District decreased 57% or \$881,000 during the year ended June 30, 2020. This decrease in actuarial determined OPEB expense related to a change in benefits.
- The District's cost of sales (food service fund) totaled \$497,000 during the current year as compared to \$515,000 during the fiscal year ended June 30, 2019. This decrease was the result of fewer meals served during the pandemic.
- The District received approximately \$1,514,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$ 9.8 million) were financed by real property taxes and state aid.

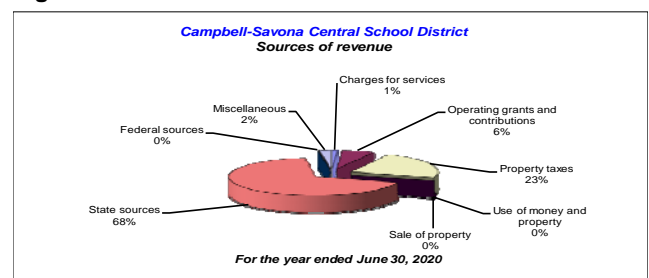
**Figure A-3 – Condensed Statement of Net Position**

<i>Campbell-Savona Central School District</i> Condensed Statement of Net Position (in thousands of dollars)				
		Governmental Activities and Total District-wide		
		2020	2019	% Change
<b>Assets</b>				
Current and other assets	\$	10,561	\$ 10,370	2%
Capital assets		70,381	70,947	-1%
Total assets		<u>80,942</u>	<u>81,317</u>	<u>0%</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pensions and OPEB		10,039	5,704	76%
Total deferred outflows of resources and assets	<b>\$</b>	<b>90,981</b>	<b>\$ 87,021</b>	<b>5%</b>
<b>Liabilities</b>				
Other liabilities	\$	7,932	\$ 8,676	-9%
Long-term liabilities		55,691	62,046	-10%
Total liabilities		<u>63,623</u>	<u>70,722</u>	<u>-10%</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions and OPEB		8,483	9,544	-11%
Total deferred inflows of resources and liabilities		<u>72,106</u>	<u>80,266</u>	<u>-10%</u>
<b>Net Position</b>				
Net investment in capital assets		51,199	50,620	1%
Restricted		3,158	4,202	-25%
Unrestricted (deficit)		(35,482)	(48,067)	-26%
Total net position		<u>18,875</u>	<u>6,755</u>	<u>179%</u>
Total liabilities, deferred inflows of resources, and net position	<b>\$</b>	<b>90,981</b>	<b>\$ 87,021</b>	<b>5%</b>

**Figure A-4 – Changes in Net Position**

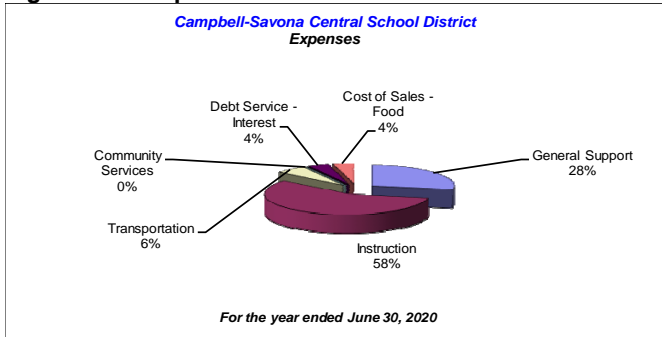
<i>Campbell-Savona Central School District</i> Changes in Net Position from Operating Results (in thousands of Dollars)				
		Governmental Activities and Total District-wide		
		2020	2019	% Change
<b>Revenue</b>				
Program revenue				
Charges for services	\$	163	\$ 179	-9%
Operating grants and contributions		1,351	1,395	-3%
General revenue				
Real property taxes		5,335	5,229	2%
Use of money & property		107	93	15%
Sale of property & comp for loss		(90)	(23)	291%
State sources		16,076	16,905	-5%
Federal sources		79	94	-16%
Miscellaneous		379	416	-9%
Total revenue		<u>23,400</u>	<u>24,288</u>	<u>-4%</u>
<b>Expenses</b>				
General support		3,159	4,098	-23%
Instruction		6,487	14,680	-56%
Transportation		663	1,544	-57%
Debt service - interest		473	564	-16%
Cost of sales		497	515	-3%
Total expenses		<u>11,279</u>	<u>21,401</u>	<u>-47%</u>
<b>Change in net position</b>	<b>\$</b>	<b>12,121</b>	<b>\$ 2,887</b>	

**Figure A-5 – Sources of Revenue**



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Figure A-6 - Expenses**



**Figure A-7 – Expenditures Supported with Program Revenue**

	Governmental Activities & Total District	
	2020	2019
Expenditures supported with general revenue (from taxes & other sources)	\$ 9,765 87%	\$ 19,827 93%
Expenditures supported with program revenue	1,514 13%	1,574 7%
<b>Total expenditures related to governmental activities</b>	<b>\$ 11,279 100%</b>	<b>\$ 21,401 100%</b>

**Figure A-8 – Net Cost of Governmental Activities**

	Total cost of services			Net cost of services		
	2020	2019	Change	2020	2019	Change
General support	\$ 3,159	\$ 4,098	\$ (939)	\$ 3,159	\$ 4,098	\$ (939)
Instruction	6,487	14,680	(8,193)	5,478	13,658	(8,180)
Transportation	663	1,544	(881)	663	1,543	(880)
Debt service - interest	473	564	(91)	473	564	(91)
Cost of sales - food	497	515	(18)	(8)	(36)	28
<b>Total</b>	<b>\$ 11,279</b>	<b>\$ 21,401</b>	<b>\$ (10,122)</b>	<b>\$ 9,765</b>	<b>\$ 19,827</b>	<b>\$ (10,062)</b>

**V. Financial Analysis of the School District's Funds**

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds.

**V. Financial Analysis of the School District's Funds (continued)**

Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund revenue and other sources exceeded its expenditures and other uses by approximately \$459,000.
- The District's general fund unassigned fund balance equated to approximately \$2,921,000 as of June 30, 2020.
- The District maintained many fund balance reserves during the year ended June 30, 2020, and had a total restricted fund balance of approximately \$1,818,000.
- The District's total assets increased approximately \$262,000 as of June 30, 2020 due to an increase in cash. The District's liabilities decreased approximately \$197,000 related to a decrease in due to other funds and due to Teachers' Retirement System Liability.
- Total revenue in the District's general fund decreased \$452,000, which was primarily related to a decrease in state building aid which was offset by an increase in the tax levy.
- Total expenditures in the District's general fund decreased \$208,000 primarily as a result of lower debt service payments.

Food Service Fund

- The District's food service fund experienced a \$8,000 increase in fund equity in the current year.
- Revenue in the food service fund was \$505,000 during 2020 as compared with \$552,000 in 2019. Expenditures in the District was \$497,000 during 2020 as compared with \$515,000 in 2019. Both revenues and expenditures decreased in the current year due to less meals served during the pandemic.

Special Aid Fund

- The District's special aid fund revenue and expenditures decreased approximately \$52,000 or 5% which was primarily due to a decrease in IDEA 611 funding and the summer school program.

Capital Projects Fund

- The District had expenditures and other uses of approximately \$2,275,000 in capital projects during the year ended June 30, 2020, which was primarily related to the \$10.9 million capital project and capital outlay project.

**VI. General Fund Budgetary Highlights**

Over the course of the year, the District makes many budget transfers. Actual expenditures were approximately \$2,171,000 below the revised budget. The most significant positive variances were in the area of general support, instruction, and employee benefits were \$388,000, \$1,084,000, and \$356,000 respectively, below that budgeted. On the other hand, resources available for appropriations were approximately \$96,000 below the final budgeted amount. The significant variance in revenue items consisted local sources which were \$98,000, above that budgeted, which was offset by state sources which were \$232,000 below that budgeted.

**Figure A-9 – Budget vs. Actual Comparison**

<i>Campbell-Savona Central School District</i>					
<i>General Fund - Budget vs Actual Comparison (in thousands of dollars)</i>					
	Revised				
	Budget	Actual	Difference	%	
<b>Revenue</b>					
Local sources	\$ 5,711	\$ 5,809	\$ 98	2%	
State sources	16,308	16,076	(232)	-1%	
Federal sources	75	79	4	5%	
Other sources	-	34	34	n/a	
<b>Total revenue</b>	<b>\$ 22,094</b>	<b>\$ 21,998</b>	<b>\$ (96)</b>	<b>0%</b>	
<b>Expenditures</b>					
General support	\$ 3,737	\$ 3,349	\$ 388	10%	
Instruction	10,433	9,349	1,084	10%	
Transportation	1,299	1,036	263	20%	
Employee benefits	4,254	3,898	356	8%	
Debt service	2,306	2,279	27	1%	
Operating transfers	1,680	1,627	53	0%	
<b>Total expenditures</b>	<b>\$ 23,709</b>	<b>\$ 21,538</b>	<b>\$ 2,171</b>	<b>9%</b>	

**VII. Capital Assets and Debt Administration**

Capital Assets

As depicted in Figure A-10, as of June 30, 2020, the District had invested approximately \$70,381,000 in a broad range of capital assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2020, totaled approximately \$2,347,000 and consisted primarily of costs related to the voter approved \$10.9 million capital project and with the acquisition of school buses. More detailed information about the District's capital assets is presented in the notes of the financial statements.

**VII. Capital Assets and Debt Administration  
(continued)**

Long-term Debt

As depicted in Figure A-11, as of June 30, 2020, the District had approximately \$55,691,000 in bonds, net pension liability, compensated absences and other post-employment benefits, a decrease of approximately 10% as compared with the previous year. The decrease in bonds payable was the result of the District making regular principal payments. The decrease in the other post-employment benefit liability is the result of the change in benefit terms. With regards to the pension liability, during the current year the ERS liability increased as a result of the actuarial update.

**Figure A-10 – Capital Assets**

<i>Campbell-Savona Central School District</i>			
<i>Capital Assets (net of depreciation)</i>			
	Governmental Activities & Total District-wide		
	2020	2019	Change
Land	\$ 436,035	\$ 436,035	0%
Buildings	111,997,480	109,324,753	2%
Construction in progress	-	755,225	-100%
Equipment	3,395,601	3,582,659	-5%
Accumulated depreciation	(45,448,398)	(43,151,405)	5%
<b>Total Capital Assets, net</b>	<b>\$ 70,380,718</b>	<b>\$ 70,947,267</b>	<b>-1%</b>

**Figure A-11 – Outstanding Long-term Debt**

<i>Campbell-Savona Central School District</i>			
<i>Outstanding Long-Term Debt and Liabilities</i>			
	Governmental Activities & Total District-wide		
	2020	2019	Change
Bonds payable	\$ 13,906,751	\$ 15,282,353	-9%
Net pension liabilities - ERS	1,507,328	366,682	311%
Other post-employment benefits	40,087,248	46,170,862	-13%
Compensated absences	189,454	225,892	-16%
<b>Total Long-Term Liabilities</b>	<b>\$ 55,690,781</b>	<b>\$ 62,045,789</b>	<b>-10%</b>

**VIII. Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District is uncertain as to the level of state aid in the upcoming years as a result of the Pandemic. New York State enacted a 2020-21 budget provision that provides for three time periods during the State's fiscal year at which time the Division of Budget will evaluate revenue and expenditures against its budget projections and potentially adjust State aid to school districts that could result in mid-year cuts. In addition, 2020-21 State aid includes a reduced "Pandemic Adjustment" which is being offset with Federal Stimulus funds.

**IX. Contacting the District's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Campbell-Savona Central School District  
Attention: Mr. Jason Rosno  
Director of Management Services  
8455 County Route #125  
Campbell, New York 14821

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

**Schedule 1**

**Page 10**

	2020	2019
<b>Assets</b>		
Cash		
Unrestricted	\$ 4,463,828	\$ 3,162,806
Restricted	3,157,886	4,201,567
Receivables		
State and federal aid	787,037	1,025,406
Other receivables	651	11,700
Due from other governments	788,209	871,442
Due from fiduciary funds	-	10
Prepaid expenses	12,131	-
Inventories	33,367	25,300
Net pension asset - NYS Teachers' Retirement System	973,168	646,955
Cash to be used for capital assets	344,981	424,488
Capital assets, net	70,380,718	70,947,267
Total assets	<u>80,941,976</u>	<u>81,316,941</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	4,198,470	3,830,633
Deferred outflows related to OPEB	5,840,682	1,873,152
Total assets and deferred outflows of resources	<u>\$ 90,981,128</u>	<u>\$ 87,020,726</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 320,039	\$ 588,518
Accrued liabilities	30,513	33,614
Accrued interest	13,000	14,000
Due to other governments	33,156	392
Due to fiduciary funds	23,494	-
Due to retirement systems	684,366	779,939
Unearned revenue	32,718	34,420
Bond anticipation notes payable	6,795,000	7,225,000
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	1,395,000	1,370,000
Portion due or payable after one year		
Bonds payable	12,511,751	13,912,353
Retirees' health insurance payable		
Net pension liability - NYS Employees' Retirement System	1,507,328	366,682
Other post-employment benefits	40,087,248	46,170,862
Compensated absences	189,454	225,892
Total liabilities	<u>63,623,067</u>	<u>70,721,672</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	1,479,448	979,627
Deferred inflows related to OPEB	7,003,454	8,564,929
Total liabilities and deferred inflows of resources	<u>72,105,969</u>	<u>80,266,228</u>
<b>Net Position</b>		
Net investment in capital assets	51,198,967	50,619,740
Restricted	3,157,886	4,201,567
Unrestricted (deficit)	(35,481,694)	(48,066,809)
Total net position	<u>18,875,159</u>	<u>6,754,498</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 90,981,128</u>	<u>\$ 87,020,726</u>

**See accompanying independent auditor's report and notes to financial statements.**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule 2**

**Page 11**

	Expenses	Indirect Expenses Allocation	Program Revenues		2020	2019
			Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
<b>Functions/Programs</b>						
General support	\$ 2,540,624	\$ 618,800	\$ -	\$ -	\$ (3,159,424)	\$ (4,097,705)
Instruction	4,717,281	1,769,397	45,653	963,587	(5,477,438)	(13,658,201)
Pupil transportation	228,914	433,867	-	-	(662,781)	(1,543,791)
Debt service	472,896	-	-	-	(472,896)	(564,293)
Food service program	497,177	-	117,774	387,174	7,771	36,369
Depreciation	2,822,064	(2,822,064)	-	-	-	-
Total functions and programs	\$ 11,278,956	\$ -	\$ 163,427	\$ 1,350,761	(9,764,768)	(19,827,621)
<b>General Revenues</b>						
Real property taxes					5,334,932	5,228,666
Use of money and property					106,505	93,097
Sale of property and compensation for loss					(89,775)	(23,249)
Miscellaneous					378,704	416,661
State sources					16,075,661	16,905,462
Federal sources					79,402	94,386
Total general revenues					21,885,429	22,715,023
<b>Change in net position</b>					12,120,661	2,887,402
Net position - beginning of year					6,754,498	3,867,096
<b>Net position - end of year</b>					\$ 18,875,159	\$ 6,754,498



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS**  
**AS OF JUNE 30, 2020**

**Schedule 3**

**Page 12**

	Governmental Funds					2020	2019
	General	Special Aid	Food Service	Debt Service	Capital Projects	(Memo only) Total	(Memo only) Total
<b>Assets</b>							
Unrestricted cash	\$ 4,432,062	\$ 4,498	\$ 350,450	\$ 34,174	\$ -	\$ 4,821,184	\$ 3,197,234
Restricted cash	1,818,159	-	-	982,371	344,981	3,145,511	4,591,627
Due from other funds	491,605	-	-	357,356	1,615,025	2,463,986	2,366,044
State and federal aid receivable	216,409	471,911	98,717	-	-	787,037	1,025,406
Other receivables	-	-	651	-	-	651	11,700
Due from other governments	788,209	-	-	-	-	788,209	871,442
Prepaid expenses	12,131	-	-	-	-	12,131	-
Inventories	-	-	33,367	-	-	33,367	25,300
Total assets	<u>\$ 7,758,575</u>	<u>\$ 476,409</u>	<u>\$ 483,185</u>	<u>\$ 1,373,901</u>	<u>\$ 1,960,006</u>	<u>\$ 12,052,076</u>	<u>\$ 12,088,753</u>
<b>Liabilities and Fund Equity</b>							
<b>Liabilities</b>							
Accounts payable	\$ 211,883	\$ 486	\$ 25,020	\$ -	\$ 82,650	\$ 320,039	\$ 588,518
Accrued liabilities	28,159	15	2,339	-	-	30,513	33,614
Bond anticipation notes payable	-	-	-	-	6,795,000	6,795,000	7,225,000
Due to other funds	1,638,519	449,983	7,448	34,174	357,356	2,487,480	2,366,034
Unearned revenue	-	25,925	6,793	-	-	32,718	34,420
Due to other governments	33,103	-	53	-	-	33,156	392
Due to Teachers' Retirement System	627,625	-	-	-	-	627,625	725,417
Due to Employees' Retirement System	56,741	-	-	-	-	56,741	54,522
Total liabilities	<u>2,596,030</u>	<u>476,409</u>	<u>41,653</u>	<u>34,174</u>	<u>7,235,006</u>	<u>10,383,272</u>	<u>11,027,917</u>
<b>Fund Equity</b>							
Nonspendable	12,131	-	33,367	-	-	45,498	25,300
Restricted	1,818,159	-	-	1,339,727	-	3,157,886	4,201,567
Assigned	410,872	-	408,165	-	-	819,037	553,514
Unassigned (deficit)	2,921,383	-	-	-	(5,275,000)	(2,353,617)	(3,719,545)
Total fund equity (deficit)	<u>5,162,545</u>	<u>-</u>	<u>441,532</u>	<u>1,339,727</u>	<u>(5,275,000)</u>	<u>1,668,804</u>	<u>1,060,836</u>
Total liabilities and fund equity	<u>\$ 7,758,575</u>	<u>\$ 476,409</u>	<u>\$ 483,185</u>	<u>\$ 1,373,901</u>	<u>\$ 1,960,006</u>	<u>\$ 12,052,076</u>	<u>\$ 12,088,753</u>



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule 4**

**Page 13**

	Governmental Funds					2020	2019
	General	Special Aid	Food Service	Debt Service	Capital Projects	(Memo only) Total	(Memo only) Total
<b>Revenue</b>							
Real property taxes	\$ 5,334,932	\$ -	\$ -	\$ -	\$ -	\$ 5,334,932	\$ 5,228,666
Charges for services	45,653	-	-	-	-	45,653	24,343
Use of money and property	90,829	-	312	15,676	-	106,817	93,498
Sale of property compensation for gain	1,240	-	-	-	-	1,240	50,412
Miscellaneous	335,964	10,785	62,589	-	-	409,338	454,256
State sources	16,075,661	456,040	11,771	-	-	16,543,472	17,372,872
Federal sources	79,402	507,547	343,036	-	-	929,985	988,069
Surplus food	-	-	32,367	-	-	32,367	33,716
Sales (school food service)	-	-	54,873	-	-	54,873	82,273
<b>Total revenue</b>	<b>21,963,681</b>	<b>974,372</b>	<b>504,948</b>	<b>15,676</b>	<b>-</b>	<b>23,458,677</b>	<b>24,328,105</b>
<b>Expenditures</b>							
General support	3,349,430	6,705	149,027	-	-	3,505,162	3,294,024
Instruction	9,349,074	673,576	-	-	-	10,022,650	9,922,424
Pupil transportation	1,035,642	40,437	-	-	-	1,076,079	1,145,789
Employee benefits	3,897,501	266,122	77,796	-	-	4,241,419	4,438,215
Debt service							
Principal	1,800,000	-	-	-	-	1,800,000	1,995,000
Interest	479,498	-	-	-	-	479,498	570,574
Capital outlay	-	-	-	-	1,917,502	1,917,502	2,464,970
Cost of sales	-	-	194,920	-	-	194,920	225,259
Other expenses	-	-	75,434	-	-	75,434	75,854
<b>Total expenditures</b>	<b>19,911,145</b>	<b>986,840</b>	<b>497,177</b>	<b>-</b>	<b>1,917,502</b>	<b>23,312,664</b>	<b>24,132,109</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>2,052,536</b>	<b>(12,468)</b>	<b>7,771</b>	<b>15,676</b>	<b>(1,917,502)</b>	<b>146,013</b>	<b>195,996</b>
<b>Other sources and uses</b>							
BANs redeemed from appropriations	-	-	-	-	430,000	430,000	645,000
Premium received on BAN issuance	-	-	-	31,955	-	31,955	34,174
Operating transfers in	34,174	12,468	-	357,349	1,615,025	2,019,016	1,693,509
Operating transfers out	(1,627,493)	-	-	(34,174)	(357,349)	(2,019,016)	(1,693,509)
<b>Total other sources (uses)</b>	<b>(1,593,319)</b>	<b>12,468</b>	<b>-</b>	<b>355,130</b>	<b>1,687,676</b>	<b>461,955</b>	<b>679,174</b>
<b>Excess (deficiency) of revenue and other sources over expenditures and other uses</b>	<b>459,217</b>	<b>-</b>	<b>7,771</b>	<b>370,806</b>	<b>(229,826)</b>	<b>607,968</b>	<b>875,170</b>
Fund equity (deficit), beginning of year	4,703,328	-	433,761	968,921	(5,045,174)	1,060,836	185,666
<b>Fund equity (deficit), end of year</b>	<b>\$ 5,162,545</b>	<b>\$ -</b>	<b>\$ 441,532</b>	<b>\$ 1,339,727</b>	<b>\$ (5,275,000)</b>	<b>\$ 1,668,804</b>	<b>\$ 1,060,836</b>

See accompanying independent auditor's report and notes to financial statements.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AS OF JUNE 30, 2020**

**Schedule 5**

**Page 14**

	Private Purpose Trusts	Agency Funds	Total 6/30/2020	(Memo only) Total 6/30/2019
<b>Assets</b>				
Cash	\$ 73,686	\$ 83,820	\$ 157,506	\$ 183,541
Accounts receivable	-	1,882	1,882	814
Due from other funds	-	23,494	23,494	-
Total assets	<u>\$ 73,686</u>	<u>\$ 109,196</u>	<u>\$ 182,882</u>	<u>\$ 184,355</u>
<b>Liabilities</b>				
Accrued liabilities	\$ -	\$ 56,291	\$ 56,291	\$ 53,526
Due to other funds	-	-	-	10
Student extraclassroom activity funds	-	52,905	52,905	52,878
Total liabilities	-	109,196	109,196	106,414
<b>Net Position</b>				
Reserved for scholarships	73,686	-	73,686	77,941
Total liabilities and net position	<u>\$ 73,686</u>	<u>\$ 109,196</u>	<u>\$ 182,882</u>	<u>\$ 184,355</u>

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule 6**

**Page 15**

	6/30/2020	(Memo only) 6/30/2019
<b>Additions</b>		
Gifts and contributions	\$ 1,381	\$ 2,455
Interest earnings	142	121
Total additions	1,523	2,576
<b>Deductions</b>		
Scholarships awarded	5,778	6,305
<b>Change in net position</b>	(4,255)	(3,729)
Net position - beginning of year	77,941	81,670
<b>Net position - end of year</b>	<b>\$ 73,686</b>	<b>\$ 77,941</b>

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

**Total fund balances - governmental funds** \$ 1,668,804

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets consist of the following at year-end:

Cost of the assets	\$ 115,829,116	
Accumulated depreciation	(45,448,398)	70,380,718

District's proportionate share of the net pension asset is reported on the statement of net position, whereas in the governmental funds pension costs are based on required contributions. 973,168

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due. (13,000)

Net deferred outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds pension expense is based on required contributions. 2,719,022

Net deferred inflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds OPEB expense is based on required contributions. (1,162,772)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Bonds payable	(13,906,751)	
Net pension liability - ERS	(1,507,328)	
Other post-employment benefits	(40,087,248)	
Compensated absences	(189,454)	(55,690,781)

**Total net position - governmental activities** \$ 18,875,159

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
<b>Assets</b>					
Cash	\$ 7,966,695	\$ -	\$ -	\$ (344,981)	\$ 7,621,714
Due from other funds	2,463,986	-	-	(2,463,986)	-
State and federal aid receivable	787,037	-	-	-	787,037
Other receivables	651	-	-	-	651
Due from other governments	788,209	-	-	-	788,209
Prepaid expenses	12,131	-	-	-	12,131
Inventories	33,367	-	-	-	33,367
Net pension asset - TRS	-	973,168	-	-	973,168
Cash to be used for capital assets	-	-	-	344,981	344,981
Capital assets, net	-	70,380,718	-	-	70,380,718
Total assets	12,052,076	71,353,886	-	(2,463,986)	80,941,976
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions	-	4,198,470	-	-	4,198,470
Deferred outflows related to OPEB	-	5,840,682	-	-	5,840,682
Total assets and deferred outflows of resources	\$ 12,052,076	\$ 81,393,038	\$ -	\$ (2,463,986)	\$ 90,981,128
<b>Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position</b>					
<b>Liabilities</b>					
Accounts payable	\$ 320,039	\$ -	\$ -	\$ -	\$ 320,039
Accrued liabilities	30,513	-	-	-	30,513
Accrued interest	-	-	13,000	-	13,000
Due to other funds	2,487,480	-	-	(2,463,986)	23,494
Unearned revenue	32,718	-	-	-	32,718
Due to other governments	33,156	-	-	-	33,156
Due to retirement systems	684,366	-	-	-	684,366
Bond anticipation notes payable	6,795,000	-	-	-	6,795,000
Bonds payable	-	-	13,906,751	-	13,906,751
Net pension liability - ERS	-	-	1,507,328	-	1,507,328
Other post-employment benefits	-	-	40,087,248	-	40,087,248
Compensated absences	-	-	189,454	-	189,454
Total liabilities	10,383,272	-	55,703,781	(2,463,986)	63,623,067
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to pensions	-	-	1,479,448	-	1,479,448
Deferred inflows related to OPEB	-	-	7,003,454	-	7,003,454
Total liabilities and deferred inflows of resources	10,383,272	-	64,186,683	(2,463,986)	72,105,969
<b>Fund equity and net position</b>	1,668,804	81,393,038	(64,186,683)	-	18,875,159
Total liabilities, deferred inflows of resources and fund equity/net position	\$ 12,052,076	\$ 81,393,038	\$ -	\$ (2,463,986)	\$ 90,981,128

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES**  
**AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>Total net change in fund balances - governmental funds</b>	\$	607,968
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Activity for the current fiscal year ended was as follows:</p>		
Capital outlays	\$ 2,346,530	
Depreciation expense	<u>(2,822,064)</u>	(475,534)
Proceeds from the sale of assets are reported as revenue in the governmental funds, whereas in the statement of activities a gain or loss on sale is reported.		(91,015)
Repayment of bond principal and capital lease principal, including refunding, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,800,000
Proceeds from the issuance of long-term debt and BANs redeemed from appropriations are recorded as revenue in governmental funds. However, in the statement of activities, proceeds from long-term debt are not recorded as revenue. Rather, long-term debt is recorded as a liability in the statement of net position.		(430,000)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. In addition, premiums on debt obligations are recorded as revenue in the governmental funds and amortized and applied against interest expense in the statement of activities.		6,602
District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds pension expense is based on District's required contribution to pension plans.		(946,417)
District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution to the OPEB plan. Also changes in benefit terms are recognized immediately into expense in the year the change is made.		11,612,619
In the statement of activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.		<u>36,438</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>12,120,661</u></b>

**See accompanying independent auditor's report and notes to financial statements.**

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
<b>Revenue</b>					
Real property taxes	\$ 5,334,932	\$ -	\$ -	\$ -	\$ 5,334,932
Charges for services	45,653	-	-	(45,653)	-
Use of money and property	106,817	-	-	(312)	106,505
Sale of property compensation for loss	1,240	(91,015)	-	-	(89,775)
Miscellaneous	409,338	-	-	(30,634)	378,704
State sources	16,543,472	-	-	(467,811)	16,075,661
Federal sources	929,985	-	-	(850,583)	79,402
Surplus food	32,367	-	-	(32,367)	-
Sales (school food service)	54,873	-	-	(54,873)	-
Total revenue	23,458,677	(91,015)	-	(1,482,233)	21,885,429
<b>Expenditures</b>					
General support	3,505,162	586,677	-	(932,415)	3,159,424
Instruction	10,022,650	1,763,717	(36,438)	(6,272,491)	5,477,438
Pupil transportation	1,076,079	42,642	-	(455,940)	662,781
Employee benefits	4,241,419	-	(10,666,202)	6,424,783	-
Debt service	2,279,498	-	(1,806,602)	-	472,896
Capital outlay	1,917,502	(1,917,502)	-	-	-
Cost of sales	194,920	-	-	(194,675)	245
Other expenses	75,434	-	-	(83,450)	(8,016)
Total expenditures	23,312,664	475,534	(12,509,242)	(1,514,188)	9,764,768
Excess (deficiency) of revenue over expenditures	146,013	(566,549)	12,509,242	31,955	12,120,661
<b>Other sources and uses</b>					
BANs redeemed from appropriations	430,000	-	(430,000)	-	-
Premiums received on BAN issuance	31,955	-	-	(31,955)	-
Operating transfers in	2,019,016	-	-	(2,019,016)	-
Operating transfers out	(2,019,016)	-	-	2,019,016	-
Total other sources (uses)	461,955	-	(430,000)	(31,955)	-
<b>Net change for year</b>	\$ 607,968	\$ (566,549)	\$ 12,079,242	\$ -	\$ 12,120,661

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Page 18**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I. Significant Accounting Policies**

The accompanying financial statements of the **Campbell-Savona Central School District** have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The financial statements include all funds and account groups of the School District as well as the component units and other organizational entities determined to be includable in the School District's financial reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the School District's reporting entity:

**1. The Extraclassroom Activity Funds**

The extraclassroom activity funds of the **Campbell-Savona Central School District** represents funds of the students of the School District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the School District with respect to its financial transactions, and the designation of student management. The cash and investment balances are reported in the Agency Fund of the District. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

**B. Joint Venture**

The **Campbell-Savona Central School District** is a component of the Supervisory District of the Steuben and Allegany Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Joint Venture (continued)**

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

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

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

During the year, the District was billed \$3,808,000 for BOCES administration and program costs. The District's share of BOCES aid, rentals and refunds amounted to \$1,779,000 the year ended June 30, 2020. Financial statements for the Steuben and Allegany Counties BOCES are available at the BOCES administrative offices.

**C. Basis of Presentation**

**1. District-wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize 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.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (continued)**

**1. District-wide Statements (continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with 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.

**2. Fund Financial Statements**

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

The District reports the following major governmental funds:

**General** - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

**Special Aid** - is used to account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes, whose funds are restricted as to use. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

**Food Service** - is used to account for all revenue and expenditures pertaining to the cafeteria operations.

**Capital Projects** - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

**Debt Service** - is used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (continued)**

**2. Fund Financial Statements (continued)**

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

Fiduciary Funds include Private Purpose Trust Funds and Agency Funds. The Private Purpose Trust Funds and Agency Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations and other governments.

Private Purpose Trust Funds are accounted for on the accrual basis. Agency Funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis which approximates the modified accrual basis of accounting.

**D. Measurement Focus and Basis of Accounting**

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**  
**(continued)**

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

**E. Cash and Cash Equivalents**

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. 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.

**F. Inventory**

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

**G. Capital Assets**

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

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 5,000	Straight-line	15-50 years
Machinery and equipment	\$ 5,000	Straight-line	5-25 years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Due To/From Other Funds**

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

**I. Compensated Absences**

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave. The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. The district has recorded an estimated liability in the District-wide financial statement amounting to \$189,454. Payment of these benefits is dependent on many factor; therefore, the timing of future payments is not readily determinable.

The District believes sufficient resources and budgetary appropriations will be available as the benefits become payable in future years. The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds.

**J. Unearned Revenue**

Unearned revenue is reported on the District's combined balance sheet. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Deferred Inflows and Outflows of Resources**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category and is related to pensions reported in the district-wide Statement of Net Position. The first item represents the effect of the net change in the District's proportion of the collective net pension liability (ERS and TRS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized.

**L. Post-Employment Benefits**

In addition to the retirement benefits described in Note 3VA, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Post-Employment Benefits (continued)**

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 an expenditure.

**M. Fund Equity**

**1. Governmental Funds**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes

GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below

**A. Nonspendable**

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term loans and notes receivable, and property held for relate (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

**1. Inventory Reserve**

This reserve is used to limit the investment in inventory and to restrict that portion of fund balance which is unavailable for appropriation. This reserve is accounted for in the School Food Service Fund.

**2. Prepaid Reserve**

This reserve is used to a restrict portion of fund balance relating to prepaid expenses paid in the current year, which is not in spendable form. This reserve is accounted for in the General Fund Service Fund.

**B. Restricted**

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**B. Restricted (continued)**

**1. Workers Compensation Reserve**

This reserve is used to accumulate funds for purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers Compensation Law. Excess reserve amounts may be either transferred to another reserve or applied to the appropriations for the next fiscal year's budget. This reserve is accounted for in the General Fund.

**2. Reserve for Employee Benefits**

The purpose of this reserve is to reserve funds for the payment of any accrued employee benefit due an employee upon termination of service. This reserve fund may be established by a majority vote of the board of education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

**3. Employee Retirement Contribution Reserve**

This reserve is used to accumulate funds for employee retirement system contributions. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

**4. Teachers' Retirement System Contribution Reserve Subfund**

This reserve is used to accumulate funds for teachers' retirement system contributions and has limits of 2% annually and 10% in total of teacher retirement system salaries. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

**5. Capital Reserve**

This reserve is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. The reserve is accounted for in the General Fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**B. Restricted (continued)**

**6. Endowment Scholarships Reserve**

This reserve is used to account for endowments, scholarships and other funds held in trust by the School District. These monies and earnings must be used for the specific purpose of the original contribution. This reserve is account for in the Private Purpose Trust Fund.

**7. Debt Service Reserve**

This reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These reserves are accounted for in the Debt Service Fund.

**8. Tax Certiorari Reserve**

Tax Certiorari Reserve is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amounts which 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 proceeding 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.

**9. Reserve for Unemployment Insurance**

This reserve is used to accumulate funds to pay this cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. 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 be either applied to the appropriations next succeeding fiscal year's budget. If the District elects to convert to tax 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 recorded in the General Fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**C. Committed**

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District did not have any committed fund balance as of June 30, 2020.

**D. Assigned**

Fund balance intended to be used by the District for specific purposes but does not meet the criteria to be restricted or committed. Along with the District's Board of Education, the Business Manager and Treasurer has been authorized to assign fund balance amounts for specific purposes through the establishment of an encumbrance.

**1. Reserve for Insurance Recoveries**

This reserve contains the difference between the insurance recovery received for the destruction of District property and the cost of replacement and is recorded in the General Fund. As of June 30, 2020, this reserve totaled \$50,281.

**2. Encumbrance Reserve**

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund. The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Fund and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund equity since they do not constitute expenditures or liabilities. Reserve for encumbrances totaled \$126,873 as of June 30, 2020.

**3. Appropriated Fund Equity**

General Fund - The amount of \$233,718 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2021 as allowed by Section 1318 of the Real Property Tax Law.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**E. Unassigned**

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

**2. Government-Wide Financial Statements**

**A. Invested in Capital Assets, Net of Related Debt**

This designation of net position is used to accumulate the capital asset balance in the statement of net position less accumulated depreciation and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**B. Restricted**

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

**C. Unrestricted**

This category represents net position of the District not restricted for any other purpose.

**3. Order of Fund Balance Spending Policy**

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- a. Restricted fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity (continued)**

**3. Order of Fund Balance Spending Policy (continued)**

- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

**N. Budgetary Procedures and Budgetary Accounting**

**1. Budget Policies**

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The District had supplemental appropriations in the amount of \$1,520,000 related to a transfer from the general fund to the capital projects fund during the fiscal year ended June 30, 2020.

**2. Budget Basis for Accounting**

Budgets are adopted annually on a basis consistent with the fund financial statements and the modified accrual basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The budget and actual comparison for the Food Service Fund reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Budgetary Procedures and Budgetary Accounting (continued)**

**2. Budget Basis for Accounting (continued)**

Budgetary controls for the special revenue and capital funds are established in accordance with the applicable grant agreement or authorized project limit which may cover a period other than the District's fiscal year. Consequently, the budgets for such funds have been excluded from the combined schedule of revenue, expenditures and changes in fund equity - budget and actual.

**O. Property Taxes**

**1. Calendar**

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31.

**2. Enforcement**

Uncollected real property taxes are subsequently enforced by the Counties, in which the School District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

**P. Interfund Transfers**

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets.

**Q. Deferred Compensation Plan**

*Campbell-Savona Central School District* offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) - Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator. The School District has a fiduciary responsibility for funds withheld and remittance to trustees.

**R. Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Page 25

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

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

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

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

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

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

**1. Long-term Revenue Differences**

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

**2. Capital Related Differences**

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

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

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

**3. Long-term Debt Transaction Differences**

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

**4. Pension 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.

**5. 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 - DETAIL NOTES ON ALL FUNDS**

**I. Cash**

The *Campbell-Savona Central School District's* investment policies are governed by State statutes. School District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

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

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**I. Cash (continued)**

**A. Deposits**

Deposits are valued at cost or cost plus interest and are categorized as either:

- (1) Insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the entity or by its agent in the entity's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
- (3) Uncollateralized

Total financial institution (bank) balances at June 30, 2020 per the bank were approximately \$8,593,000. Deposits are categorized as follows:

Category 1	Category 2	Carrying Value
\$ 254,000	\$ 8,339,000	\$ 8,593,000

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2020, the District's bank deposits were fully collateralized.

**II. Interfund Transactions**

Interfund balances as of June 30, 2020 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 491,605	\$ 1,638,519
Special Aid Fund	-	449,983
Debt Service Fund	357,356	34,174
Capital Project Fund	1,615,025	357,356
School Lunch Fund	-	7,448
Fiduciary Funds	23,494	-
Total	\$ 2,487,480	\$ 2,487,480

Interfund transfers during the fiscal year ended June 30, 2020 were as follows:

	Interfund Revenue	Interfund Expense
Special Aid Fund	\$ 12,468	\$ -
Capital Project Fund	1,615,025	357,349
Debt Service Fund	357,349	34,174
General Fund	34,174	1,627,493
Total	\$ 2,019,016	\$ 2,019,016

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**II. Interfund Transactions (continued)**

During the current year ended June 30, 2020, the District transferred \$12,468 from the General Fund to the Special Aid Fund to cover the local portion of the summer school grant. The District transferred prior year premium of \$34,174 from the Debt Service Fund to the General Fund to offset the interest cost of bond anticipation notes. The District transferred \$1,520,000 from the General Fund to the Capital Fund for an upcoming capital project. The District transferred \$357,349 from the Capital Fund to the Debt Service Fund to close out old projects. Lastly, the District transferred \$95,025 from the General Fund to the Capital Project Fund related to the capital outlay project.

**III. Receivables**

Receivables at June 30, 2020 consisted of the following, which are stated at net realizable value. District management has deemed the amounts to be fully collectible.

Fund	Description	Amount
Special Aid	State and Federal Aid	\$ 471,911
Special Aid	Other Receivables	-
Capital	State and Federal Aid	-
Food Service	State and Federal Aid	98,717
Food Service	Other Receivables	651
General	State and Federal Aid	216,409
General	Due from Other Governments	788,209
		<u>\$ 1,575,897</u>

Beginning in August 2020, the New York State Division of Budget began withholding 20% of general, excess cost and BOCES aid payments which could be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. As a result, due from State and Federal aid receivable and due from other governments reported in the general fund balance sheet and districtwide statement of net position have been adjusted by \$190,780 to reflect the 20% withholding.

**IV. Capital Assets**

Depreciation expense was charged to governmental functions during the current year as follows:

General support	\$ 618,800
Instruction	1,769,397
Pupil transportation	433,867
	<u>\$ 2,822,064</u>

During the fiscal year ended June 30, 2020 the District had capital additions in the amount of \$2,346,530.



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**IV. Capital Assets (continued)**

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

	Beginning Balance 06/30/19	Net Additions (Disposals)	Ending Balance 06/30/20
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 436,035	\$ -	\$ 436,035
Construction-in-progress	755,225	(755,225)	-
Capital assets that are depreciated:			
Buildings and improvements	109,324,753	2,672,727	111,997,480
Machinery and equipment	3,582,659	(187,058)	3,395,601
Total historical cost	<u>114,098,672</u>	<u>1,730,444</u>	<u>115,829,116</u>
Less accumulated depreciation:			
Buildings and improvements	41,458,198	2,541,302	43,999,500
Furniture and equipment	1,693,207	(244,309)	1,448,898
Total accumulated depreciation	<u>43,151,405</u>	<u>\$ 2,296,993</u>	<u>45,448,398</u>
Total net book value	<u>\$70,947,267</u>		<u>\$70,380,718</u>

**V. Liabilities**

**A. Pension Plans**

**1. Plan Descriptions and Benefits Provided**

**a. 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.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**2. Plan Descriptions and Benefits Provided (continued)**

**b. Teachers' Retirement System (TRS) (continued)**

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. Additional information regarding the System, 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 NYSSTR Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

**c. 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 (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. 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.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 3 - DETAIL NOTES ON ALL FUNDS  
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

2. Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 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:

	ERS		TRS	
2020	\$	218,000	\$	565,000
2019		210,000		664,000
2018		221,000		571,000

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS  
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported the following asset/ (liability) for its proportionate share of the net pension asset/ (liability) for each of the Systems. The net pension asset/ (liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/ (liability) used to calculate the net pension asset/ (liability) 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.

Measurement date	ERS 3/31/2020		TRS 6/30/2019	
Net pension asset/(liability)	\$	(1,507,328)	\$	973,168
District's portion of the Plan's total net pension asset/(liability)		.0056922%		.037458%

For the year ended June 30, 2020, the District's recognized pension expense of \$521,930 for ERS and \$1,210,627 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$	88,712	\$	659,491
Changes of assumptions		30,350		1,838,444
Net difference between projected and actual earnings on pension plan investments		772,730		-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions		38,374		148,543
District's contributions subsequent to the measurement date		56,741		-
Total	\$	986,907	\$	3,211,563
			\$	41,418
			\$	1,438,030

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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

Year ending:	ERS	TRS
2021	\$ 152,888	\$ 447,413
2022	223,475	35,075
2023	282,249	445,817
2024	230,136	292,809
2025	-	36,062
Thereafter	-	(48,728)

**4. 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 valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/20	6/30/19
Actuarial valuation date	4/1/19	6/30/18
Interest rate	6.8%	7.10%
Salary scale	4.2% average 4/1/10 – 3/31/15	1.90% - 4.72% 7/1/09 – 6/30/14
Decrement tables	System's Experience	System's Experience
Inflation rate	2.5%	2.20%

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**4. Actuarial Assumptions (continued)**

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2018. For TRS, annuitant mortality rates are based on member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis. Active members' mortality rates are based on plan members' experience.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

Measurement date	ERS 3/31/20	Expected Rate of Return	TRS 6/30/19	Expected Rate of Return
<b>Asset Type:</b>				
Domestic Equity	36%	4.05%	34%	6.3%
International Equity	14%	6.15%	16%	7.8%
Private Equity	10%	6.75%	8%	9.9%
Real Estate	10%	4.95%	11%	4.6%
Absolute return strategies	2%	3.25%	-%	-%
Opportunistic portfolio	3%	4.65%	-%	-%
Real assets	3%	5.95%	-%	-%
Domestic fixed income securities	-%	-%	16%	1.3%
Global fixed income securities	-%	-%	2%	0.9%
High-yield fixed income	-%	-%	1%	3.6%
Bonds and Mortgages	17%	.75%	-%	-%
Cash	1%	-%	1%	.3%
Inflation-indexed bonds	4%	.5%	-%	-%
Global equities	-%	-%	4%	7.2%
Real estate debt	-%	-%	7%	2.9%
Total:	100%		100%	

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**5. Discount Rate**

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset/ (liability) calculated using the discount rate of 6.8% for 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 (5.8% for ERS and 6.10% for TRS) or 1-percentage point higher (7.8% for ERS and 8.10% for TRS) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (2,766,373)	\$ (1,507,328)	\$ (347,743)
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (4,392,777)	\$ 973,168	\$ 5,474,589

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**8. Pension Plan Fiduciary Net Position**

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

Measurement date	(Dollars in Thousands)	
	ERS 3/31/2020	TRS 6/30/2019
Employers' total pension liability	\$ 194,596,261	\$ 119,879,474
Plan net position	\$ 168,115,682	\$ 122,477,481
Employers' net pension asset/(liability)	\$ (26,480,579)	\$ 2,589,007
Ratio of plan net position to be Employers' total pension asset/(liability)	86.39%	102.2%

**9. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$56,741.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$627,625 (employer contribution \$565,085 and employee contributions of \$62,540).

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**B. Other Post-Employment Benefits**

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) administered by a third party. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions are based on bargaining agreements as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility for the Plan is established by the District and specified in the District's employment contracts.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	150
Active Employees	151
	301

Annual OPEB Cost and Net OPEB Obligation

The District's total OPEB liability of \$40,087,248 was measured as of June 30, 2019 for the fiscal year ended June 30, 2020.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017-June 30, 2018.

The following table summarizes the District's annual OPEB cost for 2020, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation:

Service Costs	\$ 1,549,564
Interest	1,693,575
Change in benefit terms	(12,410,252)
Differences between expected and actual experience	-
Changes in assumptions	4,956,651
Benefit payments	(1,873,152)
Net change in total OPEB liability	(6,083,614)
Net OPEB liability – beginning of year	46,170,862
Net OPEB liability – end of year	\$ 40,087,248

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**B. Other Post-Employment Benefits (continued)**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. Salary increase are assumed to increase at 3% per year. This was based on the Districts review of historical experience as well as future expectations. Healthcare Cost Trend Rates are 4.75%-6.75% for post-65 medical and pre-65 medical for 2020, decreasing 0.25% to 3.78% for 2021 and later.

Changes in assumptions reflect a change in the discount rate from 3.62% to 3.13% as of June 30, 2019. The annual rate of the increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2019\_b (the Getzen model). A review of published National trend survey data in relation to the retiree health plan offerings was the basis for this change. Also, the base he mortality assumption was revised as of June 30, 2019 to the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with Scale MP-2018 mortality improvement scale on a generational basis.

Changes in benefit terms was a result of a change to the provisions of the retiree group health benefits program. A new Aetna Medicare Advantage Plan replaced SAS Plan C as the only coverage offered to Medicare-eligible retirees. The change in benefit terms was fully recognized in expense on the Statement of Activities during the year ended June 30, 2020.

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% point lower (2.13%) or 1% point higher (4.13%) than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$ 46,534,823	\$ 40,087,248	\$ 34,900,824



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**B. Other Post-Employment Benefits (continued)**

Sensitivity of the Total OPEB Liability to changes in the Healthcare Trend Costs

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 rates:

1% Decrease (8.00%- 3.75%)	(9.00%- 4.75%)	1% Increase (10.00%- 5.75%)

Total OPEB liability	\$ 34,132,377	\$ 40,087,248	\$ 48,073,118
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB (benefit) expense of \$(10,002,870). At June 30, 2020, 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	\$ -	\$ 2,359,796
Changes of assumptions or other inputs	4,230,933	4,643,658
Benefits paid subsequent to measurement date	1,609,749	-
<b>Total</b>	<b>\$ 5,840,682</b>	<b>\$ 7,003,454</b>

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

Year ending:	Amount
2021	\$ (835,757)
2022	(835,757)
2023	(835,757)
2024	(799,467)
2025	(68,126)
Thereafter	602,343
<b>Total</b>	<b>\$ (2,772,521)</b>

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**C. Indebtedness**

**1. Short-Term Debt**

**a. Bond Anticipation Notes**

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as part of the financial statements 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 bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

On June 29, 2017, the District issued bond anticipation notes (BANs) in the amount of \$8,000,000 which had an interest rate of 2.25% and matured on June 29, 2018. The proceeds were used towards the District's capital project.

On June 29, 2018, the District issued bond anticipation notes in the amount of \$7,570,000 which had an interest rate of 2.75% and matured on June 29, 2019. The proceeds were used towards the BAN that matured and \$430,000 was recorded as redeemed from appropriations.

On June 27, 2019, the District issued bond anticipation notes in the amount of \$7,225,000 which had an interest rate of 2.00%, with a maturity date of June 26, 2019. The proceeds provided \$300,000 in additional funds towards the project and was used towards the BAN that matured, as the District budgeted and recorded \$645,000 in redeemed from appropriations. In addition the District transferred \$1,500,000 of local funds towards the project.

On June 25, 2020, the District issued bond anticipation notes in the amount of \$6,795,000 which had an interest rate of 1.50% and matures on June 25, 2021. The proceeds were used towards the BAN that matured and \$430,000 was recorded as redeemed from appropriations.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**1. Short-Term Debt (continued)**

**a. Bond Anticipation Notes (continued)**

Description of issue	Issue date	Final maturity	Interest rate	Outstanding as of 6/30/20
BAN 2020	6/25/20	6/25/21	1.50%	\$ 6,975,000
Total				<u>\$ 6,975,000</u>

**b. Short-Term Debt Interest**

Total interest incurred on short-term debt was \$144,099 during the fiscal year ended June 30, 2020.

**2. Long-Term Debt**

**a. Debt Limit**

At June 30, 2020, the total indebtedness represents approximately 48% of its debt limit.

**b. Serial Bonds**

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets. These long-term liabilities, which are full faith and credit debt of the District, are recorded in the Statement of net position. The provisions to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities

**c. Changes**

The changes in the School District's indebtedness during the year ended June 30, 2020 and 2019 are as follows:

	Balance June 30, 2020	Balance June 30, 2019	Amounts Due Within One Year
2012 Serial bonds	\$ 3,187,488	\$ 3,595,514	\$ 415,000
2016 Serial bonds	10,719,263	11,686,839	980,000
OPEB liability	40,087,248	46,170,862	-
Net pension liability	1,507,328	366,682	-
Compensated absences	189,454	225,892	-
	<u>\$55,690,781</u>	<u>\$62,045,789</u>	<u>\$ 1,395,000</u>

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**2. Long-Term Debt (continued)**

**c. Changes (continued)**

During the year, the District made principal payments on its serial bonds in the amount of \$1,370,000, and amortized bond premiums on 2012 and 2016 bonds in the amount of \$5,602. The net change in compensated absences was a decrease of \$36,438 during the fiscal year ended June 30, 2020. During the current year, other post-employment benefits liability decreased in the amount of \$6,083,614. Lastly, the District's proportionate share of the NYSERS net pension liability increased by \$1,140,646.

**d. Maturity**

The following is a summary of serial bonds indebtedness:

Description of Issue	Outstanding at June 30, 2020
Serial Bonds, issued in 2012 with a maturity date of 2027, bonds carry interest at a rate of 2.000%. Proceeds used to fund reconstruction projects. Plus: unamortized bond premiums.	\$ 3,180,000 7,488
Serial Bonds, issued during 2016-2017 with maturity date of 2030, bonds carry interest at a rate ranging from 2.00% to 3.00%. Plus: unamortized bond premiums.	10,705,000 14,263
Total serial bonds	<u>\$ 13,906,751</u>

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**2. Long-Term Debt (continued)**

**d. Maturity (continued)**

The following is a summary of maturing debt service requirements for serial bonds:

Year	Serial Bonds – 2012	
	Principal	Interest
2021	\$ 415,000	\$ 73,530
2022	425,000	65,230
2023	440,000	56,305
2024	455,000	46,625
2025	465,000	36,160
2026-2027	980,000	38,000
Total	\$ 3,180,000	\$ 315,850

Year	Serial Bonds – 2016	
	Principal	Interest
2021	\$ 980,000	\$ 234,469
2022	995,000	214,869
2023	1,010,000	194,969
2024	1,030,000	174,769
2025	1,050,000	154,169
2026-2030	5,640,000	431,663
Total	\$ 10,705,000	\$ 1,404,908

**e. Long-Term Debt Interest**

Interest expense on long-term debt amounted to \$335,399 for the year ended June 30, 2020.

**f. Premiums, Debt Issuance Costs and Amortization**

Net premiums resulting from bond and other debt refinancing are being amortized over the life of the relating debt using the interest method. These premiums are accordingly included in the outstanding principal balances for the bonds. Debt issuance costs related to the bonds were expensed in accordance with GASB 65.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**3. Refunding of Long-Term Debt**

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

**VI. Fund Equity**

**A. Classification**

The District's fund equity is comprised of various components.

Fund	Reservation Purposes	Balance June 30, 2020
<b>Nonspendable:</b>		
Food Service	Inventory	\$ 33,367
General	Prepaid Expense	\$ 12,131
<b>Restricted:</b>		
General	Reserve for employee benefits	\$ 206,388
	Reserve for unemployment insurance	116,520
	Reserve for retirement system credits	780,431
	TRS retirement reserve	200,086
	Reserve for tax certiorari	120,393
	Reserve for workers' compensation	394,303
	Reserve for capital	38
		<u>\$ 1,818,159</u>
Debt Service	Reserve for debt service	\$ 1,339,727
Fiduciary	Reserve for endowment scholarships	\$ 73,686
<b>Assigned:</b>		
General	Appropriated fund balance	\$ 233,718
	Reserve for insurance recoveries	50,281
	Reserve for encumbrances	126,873
		<u>\$ 410,872</u>
Food Service	Fund Equity	\$ 408,165



**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**VI. Fund Equity (continued)**

**B. District-wide Net Position**

Net Position of the District include restricted Net Position \$3,157,886 which represent restricted amounts in the general and debt service funds as presented above.

**C. Accumulated Deficit**

The District's capital project fund had an accumulated deficit in the amount of \$5,275,000 as of June 30, 2020. It is not uncommon for school districts to have deficit fund balances in the capital project funds as a result of short-term debt being recorded as liabilities until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue.

**VII. Commitments and Contingencies**

**A. Risk Financing and Related Insurance**

**1. General Information**

The *Campbell-Savona Central School District* is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

**2. Risk Sharing Pools**

For its employee health coverage, *Campbell-Savona Central School District* is a participant in the Steuben Area Schools Plan, a public entity risk pool operated for the benefit of 7 individual school districts. The School District pays monthly premiums to the Plan for this health coverage.

The Plan is authorized to assess supplemental premiums to the participating districts. The Plan provides coverage for its members up to \$250,000 per insured event. The Steuben Area Schools Plan obtains independent coverage for insured events in excess of this amount.

The District has a self-insured plan for dental coverage. The plan is administered by a third party administrator who pays the claims directly. The District then reimburses the third party administrator for the exact amount of claims paid.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**  
**(CONTINUED)**

**VII. Commitments and Contingencies (continued)**

**A. Risk Financing and Related Insurance (continued)**

**2. Risk Sharing Pools (continued)**

The *Campbell-Savona Central School 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.

**B. Federal and State Grants**

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

**C. Compensated Absences**

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$148,000 as of June 30, 2020 for accumulating non-vesting sick leave.

**D. Contingencies**

The District, in the normal course of its operations, is involved in various other litigation and arbitration cases. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the District's financial position.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS  
 (CONTINUED)**

**VIII. Tax Abatements**

The Steuben County Industrial Development Agency entered into a property tax abatement program (Payment in Lieu of Taxes – PILOT) with various corporations in the Campbell-Savona Central School District’s tax jurisdiction for the purpose of economic development. The terms and amounts of tax abated in the current year are as follow:

Corporation	Term	Tax abated during the year ended June 30, 2020
Corporation A	12/31/2001-12/31/2021	\$ 12,279
Corporation B	02/01/2011-05/31/2033	13,060
Corporation C	02/01/2011-05/31/2033	239,972
		<u>\$ 265,311</u>

**NOTE 4 – CAPITAL PROJECTS**

The voters of Campbell Savona Central School District approved a resolution authorizing a capital project in December of 2015, in the amount of \$10,900,000 to be financed with serial bonds, State Excel Aid and District funds. During the fiscal year ended June 30, 2020, the District expended \$1,822,477 related to phase III of the project. As of June 30, 2020, the District had expended a total of \$5,794,649 related to phase I of the project. As of June 30, 2020, the District had expended a total of \$2,561,948 related to phase II of the project and \$2,543,403 related to phase III of the project. The capital project was completed during the year.

During the fiscal year ended June 30, 2020, the District incurred no costs related to Smart School Bond Act Project. As of June 30, 2020, the District had expended a total of \$862,361 related to Smart School Bond Act Project. The District has received a total of \$862,361 as of June 30, 2020.

During the fiscal year ended June 30, 2020, the District also had costs associated with its current year capital outlay project in the amount of \$95,025.

The voters of Campbell Savona Central School District approved a resolution authorizing a capital project in January of 2020, in the amount of \$14,775,000 to be financed with serial bonds and District funds. During the fiscal year ended June 30, 2020, the District transferred \$1,520,000 to the Capital Project Fund to fund a portion of the project per the voters' approval.

**NOTE 5 – COVID 19 PANDEMIC**

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions. As a result, the District was forced to close its school buildings and move to a remote learning environment for the remainder of the school year. The District froze certain spending but maintained the majority of its workforce and contracted services. The District also provided free breakfast and lunches to all students (except those who opted out) through the Summer Food program.

Also, in March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to Organizations including public school Districts. The New York State Department of Education has allocated approximately \$223,000 of CARES Act assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. As of June 30, 2020 the District has not applied any expenditures against this funding. In addition, 2020-21 State aid includes a reduced “Pandemic Adjustment” which is being offset with Federal Stimulus funds.

Lastly, New York State enacted 2020-21 budget grants the authority to the Division of Budget (DOB) Director to reduce aid-to-localities appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by DOB which includes the ability to withhold and reduce specific local aid payments during the fiscal year. The State budget is deemed out of balance for the fiscal year, and the Director’s powers are activated, if actual tax receipts are less than 99 percent of estimated tax receipts, or actual disbursements are more than 101 percent of estimated disbursements, as measured at three points during the year (April 1-30, May 1-June 30, and July 1-December 31).

Given the uncertainty regarding the COVID-19 Pandemic, the overall financial impact to the District cannot be reasonably predicted or estimated at this time.

**NOTE 6 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 7, 2020, which is the date the financial statements were available to be issued.

For the 2020-21 year, the District is following its reopening plan that was submitted to New York State in July 2020. The District will continue to evaluate the plan and make necessary changes based on District assessments, along with County and State guidance.

***SUPPLEMENTARY INFORMATION***

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
<b>Revenues</b>				
<b>Local Sources:</b>				
Real property taxes and tax items	\$ 5,059,237	\$ 5,059,237	\$ 5,055,246	\$ (3,991)
Real property tax items	254,835	254,835	279,686	24,851
Charges for services	15,975	15,975	45,653	29,678
Use of money and property	54,875	54,875	90,829	35,954
Sale of property and compensation for loss	1,000	1,000	1,240	240
Miscellaneous	325,000	325,000	335,964	10,964
<b>State Sources:</b>				
Basic formula	14,629,000	14,629,000	14,545,510	(83,490)
BOCES	1,600,000	1,600,000	1,451,628	(148,372)
Textbooks	45,959	45,959	45,377	(582)
All other aid	32,943	32,943	33,146	203
<b>Federal Sources:</b>				
Medicaid reimbursement	75,000	75,000	79,402	4,402
<b>Total revenue</b>	<b>22,093,824</b>	<b>22,093,824</b>	<b>21,963,681</b>	<b>(130,143)</b>
<b>Other Sources</b>				
Operating transfer in	-	-	34,174	34,174
<b>Total revenue and other sources</b>	<b>22,093,824</b>	<b>22,093,824</b>	<b>\$ 21,997,855</b>	<b>\$ (95,969)</b>
Appropriated fund equity and prior year encumbrances	-	94,824		
Supplemental appropriations	-	1,520,000		
<b>Total revenue, other sources and appropriated fund equity</b>	<b>\$ 22,093,824</b>	<b>\$ 23,708,648</b>		

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
<b>Expenditures</b>					
<b>General Support:</b>					
Board of education	\$ 27,350	\$ 27,345	\$ 20,553	\$ -	\$ 6,792
Central administration	204,200	205,876	199,158	-	6,718
Finance	458,150	458,788	458,592	-	196
Staff	126,000	126,004	91,253	-	34,751
Central services	2,413,000	2,468,959	1,974,242	95,036	399,681
Special items	454,000	449,666	605,632	-	(155,966)
<b>Instructional:</b>					
Instruction, administration and improvement	828,900	828,401	761,038	800	66,563
Teaching - regular school	4,604,000	4,643,979	4,248,040	17,066	378,873
Programs for children with handicapping conditions	2,677,475	2,679,004	2,342,689	-	336,315
Teaching - special schools	181,600	181,600	110,604	-	70,996
Occupational education	784,000	784,000	766,905	-	17,095
Instructional media	360,600	359,476	326,479	2,144	30,853
Pupil services	949,900	956,605	793,319	8,585	154,701
<b>Pupil Transportation</b>	1,304,250	1,298,546	1,035,642	3,242	259,662
<b>Employee Benefits</b>	4,254,000	4,254,000	3,897,501	-	356,499
<b>Debt Service:</b>					
Debt service principal	1,800,000	1,800,000	1,800,000	-	-
Debt service interest	506,399	506,399	479,498	-	26,901
<b>Total expenditures</b>	<u>21,933,824</u>	<u>22,028,648</u>	<u>19,911,145</u>	<u>126,873</u>	<u>1,990,630</u>
<b>Other Uses:</b>					
Transfer to other funds	160,000	1,680,000	1,627,493	-	52,507
<b>Total other uses</b>	<u>160,000</u>	<u>1,680,000</u>	<u>1,627,493</u>	<u>-</u>	<u>52,507</u>
<b>Total expenditures and other uses</b>	<u>\$ 22,093,824</u>	<u>\$ 23,708,648</u>	<u>21,538,638</u>	<u>\$ 126,873</u>	<u>\$ 2,043,137</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>			<u>\$ 459,217</u>		

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule SS1A**

**Page 38**

	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
<b>Revenue</b>			
State sources	\$ 12,451	\$ 11,771	\$ (680)
Federal sources	353,766	343,036	(10,730)
Sales	83,152	54,873	(28,279)
Miscellaneous	69,666	62,589	(7,077)
Surplus food	40,000	32,367	(7,633)
Use of money and property	-	312	312
Total revenue	<u>559,035</u>	<u>504,948</u>	<u>(54,087)</u>
<b>Expenditures</b>			
General support	141,449	149,027	(7,578)
Employee benefits	80,823	77,796	3,027
Cost of sales	258,747	194,920	63,827
Other expenses	78,016	75,434	2,582
Total expenditures	<u>559,035</u>	<u>497,177</u>	<u>61,858</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>	<u>\$ -</u>	<u>7,771</u>	<u>\$ 7,771</u>
Fund equity, beginning of year		<u>433,761</u>	
<b>Fund equity, end of year</b>		<u>\$ 441,532</u>	

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**  
**AND THE REAL PROPERTY TAX LIMIT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule SS2**

**Page 39**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

<b>Adopted budget</b>	\$ 22,093,824
<b>Additions:</b>	
Prior year's encumbrances	<u>94,824</u>
<b>Original budget</b>	22,188,648
<b>Supplemental appropriations</b>	
Transfer to capital project fund - 2020 capital project	<u>1,520,000</u>
<b>Final budget</b>	<u><u>\$ 23,708,648</u></u>

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

<b>2020-21 voter-approved expenditure budget</b>	<b>\$ 22,389,339</b>
<b>Maximum allowed (4% of 2020-21 budget)</b>	<b>\$ 895,574</b>

**General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law\*:**

**Unrestricted fund balance:**

Committed fund balance	\$ -
Assigned fund balance	410,872
Unassigned fund balance	<u>2,921,383</u>
Total unrestricted fund balance	<u>3,332,255</u>

**Less:**

Appropriated fund balance	233,718
Insurance recovery reserve	50,281
Encumbrances included in committed and assigned fund balance	<u>126,873</u>
Total adjustments	<u>410,872</u>

<b>General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:</b>	<b><u><u>\$ 2,921,383</u></u></b>
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<b>Actual percentage</b>	<b><u><u>13.0%</u></u></b>
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\* Per Office of State Comptroller's "Fund Balance Reporting and Governmental Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of the 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.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule SS3**

**Page 40**

Project Title	Original Appropriation	Revised Appropriation	Expenditures				Unexpended (Overexpended) Balance	Methods of financing					Fund Balance June 30, 2020			
			Prior Years	Current Year	Interfund Transfer	Total		Proceeds of Obligations	Local Sources	State Sources	Interfund Sources	Adjustments		Total		
Bus Garage 15	\$ 429,460	\$ 429,460	\$ 401,722	\$ -	\$ (116,261)	\$ 285,461	\$ 143,999	\$ 224,921	\$ 17,200	\$ -	\$ 43,340	\$ -	\$ -	\$ 285,461	\$ -	
Campbell 15	4,642,525	4,642,525	2,815,294	-	372,301	3,187,595	1,454,930	2,431,415	182,750	-	573,430	-	-	3,187,595	-	
Storage Bldg. 15	43,600	43,600	68,602	-	(39,221)	29,381	14,219	22,831	2,150	-	4,400	-	-	29,381	-	
Savona 15	3,220,263	3,220,263	1,864,877	-	427,335	2,292,212	928,051	1,686,532	126,850	-	478,830	-	-	2,292,212	-	
Campbell 18	1,039,645	1,039,645	1,195,532	-	(366,472)	829,060	210,585	544,490	40,850	-	243,720	-	-	829,060	-	
Savona 18	1,524,507	1,524,507	1,618,923	-	113,965	1,732,888	(208,381)	798,428	60,200	-	874,260	-	-	1,732,888	-	
Bus Garage 19	627,120	627,120	254,269	64,848	354,984	674,101	(46,981)	328,441	115,800	-	229,860	-	-	674,101	-	
Campbell 19	1,402,440	1,402,440	276,931	1,312,764	(478,851)	1,110,844	291,596	734,494	126,150	-	250,200	-	-	1,110,844	-	
Storage Bldg. 19	70,200	70,200	35,087	6,430	43,641	85,158	(14,958)	36,768	17,250	-	31,140	-	-	85,158	-	
Savona 19	795,600	795,600	188,937	438,435	45,928	673,300	122,300	416,680	85,800	-	170,820	-	-	673,300	-	
Capital Project 20	14,775,000	14,775,000	-	-	-	-	14,775,000	-	1,520,000	-	-	-	-	1,520,000	1,520,000	
Subtotal	28,570,360	28,570,360	8,720,174	1,822,477	357,349	10,900,000	17,670,360	7,225,000	2,295,000	-	2,900,000	-	-	12,420,000	1,520,000	
Capital Outlay 20	100,000	95,025	-	95,025	-	95,025	-	-	-	-	95,025	-	-	95,025	-	
Smart School Bond	1,009,474	1,009,474	862,361	-	-	862,361	-	-	-	862,361	-	-	-	862,361	-	
Subtotal	1,109,474	1,104,499	862,361	95,025	-	957,386	-	-	-	862,361	95,025	-	-	957,386	-	
	<u>\$ 29,679,834</u>	<u>\$ 29,674,859</u>	<u>\$ 9,582,535</u>	<u>\$ 1,917,502</u>	<u>\$ 357,349</u>	<u>\$ 11,857,386</u>	<u>\$ 17,670,360</u>	<u>\$ 7,225,000</u>	<u>\$ 2,295,000</u>	<u>\$ 862,361</u>	<u>\$ 2,995,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,377,386</u>	<u>1,520,000</u>	
															Less: Bond Anticipation Notes	(6,795,000)
															Unassigned fund equity (deficit) as of June 30, 2020	<u>\$ (5,275,000)</u>

**See accompanying independent auditor's report.**



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**BUDGET COMPARISON STATEMENT FOR STATE AND**  
**OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule SS4A**

**Page 41**

Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school *	N/A	2020	N/A	\$ 139,921	\$ 139,921
Universal pre-kindergarten	0409-20-7078	2020	308,801	308,801	308,801
Extended school day	0640-19-3020	2020	51,175	19,786	19,786
School lunch programs	N/A	2020	N/A	4,517	4,517
School breakfast programs	N/A	2020	N/A	2,884	2,884
Summer food service program	N/A	2020	N/A	4,370	4,370
				<u>\$ 480,279</u>	<u>\$ 480,279</u>

\* Revenue includes transfer of \$12,468 from general fund for local share of summer school expenditures.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**Schedule SS4B**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Campbell-Savona Central School District** and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Basis of Accounting**

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for the applicable program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

**Note 2 - Non-monetary Federal Program**

The accompanying **Campbell-Savona Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2020, the District reported in the Schedule of Federal Awards \$32,367 of donated commodities at fair market value received and disbursed.

**Note 3 – Indirect Cost Rate**

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

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule SS4C**

**Page 42**

Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
<b>US Department of Education:</b>					
<i>Passed through NYS</i>					
<b>Department of Education:</b>					
Title I, Part A	84.010A	0021-20-2860	\$ 220,231	\$ 191,534	\$ 191,534
Title I, Part A	84.010A	0021-19-2860	12,013	12,013	12,013
Title IIA	84.367A	0147-20-2860	36,068	36,021	36,021
Title IV	84.424A	0004-20-2860	29,543	5,369	5,369
Title IV	84.424A	0004-19-2860	2,927	2,927	2,927
IDEA Part B, Section 611 *	84.027A	0032-20-0858	244,222	244,222	244,222
IDEA Part B, Section 619 *	84.173A	0033-20-0858	8,756	8,756	8,756
Total U.S. Department of Education				<u>500,842</u>	<u>500,842</u>
<b>US Department of Agriculture:</b>					
<i>Passed through NYS</i>					
<b>Department of Education:</b>					
School Breakfast Program **	10.553	N/A	N/A	62,823	62,823
National School Lunch Program **	10.555	N/A	N/A	158,606	158,606
Summer Food Service Program for Children **	10.559	N/A	N/A	20,824	20,824
COVID-19 Summer Food Service Program for Children **	10.559	N/A	N/A	100,783	100,783
Child Nutrition Discretionary Grants- Equipment Assistance Grant	10.579	0005-19-0051	6,705	6,705	6,705
<i>Passed through NYS</i>					
<b>Office of General Services:</b>					
National School Lunch Program					
Noncash assistance (Donated Commodities) **	10.555	N/A	N/A	32,367	32,367
Total U.S. Department of Agriculture				<u>382,108</u>	<u>382,108</u>
Total expenditures and revenue				<u>\$ 882,950</u>	<u>\$ 882,950</u>

\* Constitutes a cluster of Federal programs named Special Education Cluster which had total revenue and expenditures of \$ 252,978  
 \*\* Constitutes a cluster of Federal programs named Child Nutrition Cluster which had total revenue and expenditures of \$ 375,403

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule SS5**

**Page 43**

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Capital Assets	\$	70,380,718
Less:		
Serial bonds		(13,906,751)
Bond anticipation notes		(6,795,000)
Plus:		
Assets in capital projects fund, net of related payables		<u>1,520,000</u>
Net investment in capital assets	\$	<u><u>51,198,967</u></u>

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S NET**  
**OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2020**

**Schedule SS6**

**Page 44**

As of the measurement date of June 30,	2019	2018	2017
<b>Total OPEB Liability</b>			
Service cost	\$ 1,549,564	\$ 1,788,245	\$ 2,078,377
Interest	1,693,575	1,816,082	1,586,227
Change in benefit terms	(12,410,252)	-	-
Differences between expected and actual experience	-	(3,313,250)	-
Changes in assumptions	4,956,651	(2,494,374)	(5,044,625)
Benefit payments	(1,873,152)	(1,702,287)	(1,575,973)
Net change in total OPEB liability	(6,083,614)	(3,905,584)	(2,955,994)
Total OPEB liability - beginning	46,170,862	50,076,446	16,273,996
Prior period adjustment	-	-	36,758,444
Total OPEB liability - ending	<u>\$ 40,087,248</u>	<u>\$ 46,170,862</u>	<u>\$ 50,076,446</u>
 <b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,873,152	\$ 1,702,287	\$ 1,575,973
Net investment income	-	-	-
Benefit payments	(1,873,152)	(1,702,287)	(1,575,973)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's net OPEB liability	 <u>\$ 40,087,248</u>	 <u>\$ 46,170,862</u>	 <u>\$ 50,076,446</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 0.00%	 0.00%	 0.00%
 Covered-employee payroll	 \$ 7,782,710	 \$ 7,407,322	 N/A
 District's net OPEB liability as a percentage of covered-employee payroll	 515.08%	 623.31%	 N/A

Notes to Schedule:

Benefit Changes:

A new Aetna Medicare Advantage Plan replaced SAS Plan C as the only coverage offered to Medicare eligible retirees.

Changes in assumptions:

Discount rate changes - 3.62% to 3.13% effective June 30, 2019.

The annual rate of the increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2019\_b (the Getzen model). A review of published National trend survey data in relation to the retiree health plan offerings was the basis for this change.

The mortality assumption was revised as of June 30, 2019 to the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with Scale MP-2018 mortality improvement scale on a generational basis.

**See accompanying independent auditor's report.**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB**  
**FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2020**

**Schedule SS7**

**Page 45**

For the year ended June 30,	2020	2019	2018
Actuarially determined contributions	\$ 1,873,152	\$ 1,702,287	\$ 1,575,973
Contributions in relation to the actuarially determined contribution	(1,873,152)	(1,702,287)	(1,575,973)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,782,710	\$ 7,407,322	N/A
Contributions as a percentage of District's covered-employee payroll	24.07%	22.98%	0.00%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2018.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	3.13% as of June 30, 2019 and 3.62% as of July 1, 2018
Inflation	2.00% per year 2020 - Pre-65 Medical - 6.75%. Rates expected to decrease each year thereafter with an ultimate rate of 3.78% after 2075. 2020 - Post-65 Medicare Advantage - 4.75%. Rates expected to decrease each year thereafter with an ultimate rate of 3.78% after 2075.
Healthcare cost trend rates	
Salary increases	3% per year Weighted Pub 2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, and then adjusted for mortality improvements with Scale MP-2018 mortality improvement scale on a fully generational basis..
Mortality	
Retiree Cost Sharing	District pays 77.5% to 100% of coverage based on start date
Participants	151 Active and 150 Retirees

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS**  
**FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2020**

**Schedule SS8**

**Page 46**

***New York State Teachers' Retirement System***

For the year ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 565,085	\$ 664,004	\$ 571,123	\$ 703,743	\$ 783,062	\$ 1,030,565	\$ 896,703	\$ 623,445
Contributions in relation to the contractually required contribution	(565,085)	(664,004)	(571,123)	(703,743)	(783,062)	(1,030,565)	(896,703)	(623,445)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,377,935	\$ 6,252,392	\$ 5,827,786	\$ 6,004,633	\$ 5,905,445	\$ 5,878,865	\$ 5,518,172	\$ 5,265,583
Contributions as a percentage of District's covered-employee payroll	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

***New York State Local Employees' Retirement System***

For the year ended March 31,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 218,088	\$ 210,334	\$ 220,685	\$ 215,153	\$ 237,805	\$ 272,059	\$ 276,770	\$ 245,734
Contributions in relation to the contractually required contribution	(218,088)	(210,334)	(220,685)	(215,153)	(237,805)	(272,059)	(276,770)	(245,734)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,587,317	\$ 1,571,852	\$ 1,513,212	\$ 1,458,221	\$ 1,364,502	\$ 1,369,971	\$ 1,334,910	\$ 1,327,117
Contributions as a percentage of District's covered-employee payroll	13.74%	13.38%	14.58%	14.75%	17.43%	19.86%	20.73%	18.52%

**See accompanying independent auditor's report.**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT****Schedule SS9****SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/ (LIABILITY) – NYSTRS AND DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – NYSLERS FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2020****Page 47*****New York State Teachers' Retirement System - Net Pension Asset (Liability)***

As of the measurement date of June 30,	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension asset (liability)	n/a	0.037458%	0.035778%	0.037892%	0.038270%	0.039137%	0.037357%	0.035948%
District's proportionate share of the net pension asset (liability)	n/a	\$ 973,168	\$ 646,955	\$ 288,017	\$ (409,888)	\$ 4,065,055	\$ 4,161,307	\$ 236,628
District's covered-employee payroll	n/a	\$ 6,252,392	\$ 5,827,786	\$ 6,004,633	\$ 5,905,445	\$ 5,878,865	\$ 5,518,172	\$ 5,265,583
District's proportionate share of the net pension asset (liability) asset as a percentage of its covered employee payroll	n/a	15.56%	11.10%	4.80%	-6.94%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

***New York State Local Employees' Retirement System - Net Pension (Liability)***

As of the measurement date of March 31,	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension (liability)	0.0056922%	0.0051752%	0.0055183%	0.0052913%	0.0052918%	0.0051195%	n/a	n/a
District's proportionate share of the net pension (liability)	\$ (1,507,328)	\$ (366,982)	\$ (178,100)	\$ (497,180)	\$ (849,354)	\$ (172,948)	\$ (231,341)	n/a
District's covered-employee payroll	\$ 1,587,317	\$ 1,571,852	\$ 1,513,212	\$ 1,458,221	\$ 1,364,502	\$ 1,369,971	\$ 1,334,910	n/a
District's proportionate share of the net pension (liability) as a percentage of its covered employee payroll	94.96%	23.35%	11.77%	34.09%	62.25%	12.62%	17.33%	n/a
Plan fiduciary net position as a percentage of the total pension (liability)	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a	n/a

n/a - information is not available

**See accompanying independent auditor's report.**



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

**To the President and  
Members of the Board of Education  
*Campbell-Savona Central School District*  
Campbell, New York**

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Campbell-Savona Central School District* as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise *Campbell-Savona Central School District's* basic financial statements and have issued our report thereon dated October 7, 2020.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore there can be no assurance that deficiencies, significant deficiencies and material weaknesses have been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether *Campbell-Savona Central School District's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2020-001.

**Campbell-Savona Central School District's Response to Finding**

*Campbell-Savona Central School District's* response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. *Campbell-Savona Central School District's* response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 7, 2020**

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

**To the President and  
Members of the Board of Education  
*Campbell-Savona Central School District*  
Campbell, New York**

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

We have audited *Campbell-Savona Central School District's* compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of *Campbell-Savona Central School District's* major federal programs for the year ended June 30, 2020. *Campbell-Savona Central School District's* major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, *Campbell-Savona Central School District* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

**Report on Internal Control Over Compliance**

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

## **Report on Internal Control Over Compliance (continued)**

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

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

### **Purpose of this Report**

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

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 7, 2020**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's opinion(s) issued or whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>                    </u> yes	<u>          </u> x	<u>          </u> no
Significant deficiency(ies) identified?	<u>                    </u> yes	<u>          </u> x	<u>          </u> none reported

Noncompliance material to financial statements noted?	<u>          </u> x	<u>          </u> yes	<u>          </u> no
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**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<u>                    </u> yes	<u>          </u> x	<u>          </u> no
Significant deficiency(ies) identified?	<u>                    </u> yes	<u>          </u> x	<u>          </u> none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)	<u>                    </u> yes	<u>          </u> x	<u>          </u> no
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Federal Program Title	Federal CFDA Number	Amount
Total expenditures of Federal Awards		<u>\$ 882,950</u>

**Identification of Major Programs Tested:**

U.S. Department of Education - IDEA Part B, Section 611 *	84.027A	\$ 244,222
U.S. Department of Education - IDEA Part B, Section 619 *	84.173A	<u>8,756</u>
Total major programs tested		<u>\$ 252,978</u>
% of Federal programs tested		<u>28.7%</u>

\* Constitutes a cluster of Federal programs

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
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Auditee qualified as low risk?	<u>          </u> x	<u>          </u> yes	<u>          </u> no
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**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**II. FINANCIAL STATEMENTS AUDIT – FINDINGS**

**A. INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Year ended June 30, 2020**

No findings related to internal control over financial reporting are being reported upon during the fiscal year ended June 30, 2020.

**B. COMPLIANCE AND OTHER MATTERS**

**Year ended June 30, 2020**

**2020-001 Unassigned Fund Balance**

*Conditions and criteria:* **Campbell-Savona Central School District's** unassigned fund balance as of June 30, 2020 amounted to \$2,921,383. This amount constitutes approximately 13% of the 2020-2021 school budget.

*Cause and Effect:* The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance was greater than 4% of the subsequent year's budget.

*Auditors' Recommendation:* **Campbell-Savona Central School District** should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

*School District's Response:* **Campbell-Savona Central School District** realizes that its unassigned fund balance as of June 30, 2020 was in excess of the NYS mandated 4% level. The District has and will continue to review its options with regard to reservation and designation of fund balance.

**III. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS**

**A. COMPLIANCE**

**Year ended June 30, 2020**

There are no findings related to compliance being reported upon during the fiscal year ended June 30, 2020.

**B. INTERNAL CONTROL OVER COMPLIANCE**

**Year ended June 30, 2020**

No findings related to internal control over compliance are being reported upon during the fiscal year ended June 30, 2020.

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**I. FINANCIAL STATEMENTS AUDIT - FINDINGS**

**A. INTERNAL CONTROL OVER FINANCIAL REPORTING**

There were no findings related to internal control over financial reporting during the year ended June 30, 2019.

**B. COMPLIANCE AND OTHER MATTERS**

2019-001

**Unassigned Fund Balance**

**Year Ended June 30, 2019**

**Summary of Prior Year Finding:** *Campbell-Savona Central School District's* unassigned fund balance as of June 30, 2019 amounted to approximately \$1,326,000. This amount constitutes approximately 6% of the 2019-2020 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

**Current Status:** Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2020 as item 2020-001.

**II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS**

**A. COMPLIANCE**

**Year Ended June 30, 2019**

There were no findings related to compliance during the year ended June 30, 2019.

**B. INTERNAL CONTROL OVER COMPLIANCE**

**Year ended June 30, 2019**

There were no findings related to internal control over compliance during the year ended June 30, 2019





October 7, 2020

**To the President and Members of the  
Board of Education  
and School Administration  
*Campbell-Savona Central School District*  
Campbell, New York**

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2020 of the District's financial statements and have issued our reports thereon dated October 7, 2020. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by Government Auditing Standards.

In planning and performing our audit of the financial statements of the *Campbell-Savona Central School District* for the year ended June 30, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2016 through June 30, 2020. In addition, we have also presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. *Campbell-Savona Central School District's* has provided responses to additional comments that follow, however, we did not audit such responses and, accordingly, we express no opinion on them.

Very truly yours,

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**REVENUE AND EXPENDITURES COMPARISON AND ANALYSIS OF FUND**  
**EQUITY - GENERAL FUND (AMOUNTS IN \$1,000)**

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
<b>Revenue and other sources</b>					
Property taxes	\$ 5,335	\$ 5,229	\$ 5,132	\$ 5,049	\$ 5,002
State aid	16,076	16,526	16,290	16,022	15,310
All other	587	695	818	671	768
	<u>21,998</u>	<u>22,450</u>	<u>22,240</u>	<u>21,742</u>	<u>21,080</u>
<b>Expenditures and other uses</b>					
General support	3,349	3,153	3,160	2,981	3,044
Instruction	9,349	9,213	9,075	9,428	9,348
Transportation	1,036	1,112	1,045	985	992
Benefits	3,898	4,068	4,230	4,371	4,031
Debt	2,279	2,566	3,283	3,458	3,321
Transfers	1,627	1,633	121	118	1,248
	<u>21,538</u>	<u>21,745</u>	<u>20,914</u>	<u>21,341</u>	<u>21,984</u>
<b>Excess (deficiency) of revenue over expenditures</b>	460	705	1,326	401	(904)
<b>Fund equity</b>					
Beginning of year	4,703	3,998	2,672	2,271	3,175
End of year	<u>\$ 5,163</u>	<u>\$ 4,703</u>	<u>\$ 3,998</u>	<u>\$ 2,672</u>	<u>\$ 2,271</u>
<b>Analysis of fund equity</b>					
Nonspendable	\$ 12	\$ -	\$ -	\$ -	\$ -
Restricted					
Reserve for retirement system credits	781	780	679	378	378
Reserve for TRS	200	100	-	-	-
Reserve for tax certiorari	120	120	120	120	120
Reserve for employee benefits	206	206	206	206	205
Reserve for unemployment insurance	117	116	116	116	116
Reserve for workers' compensation	394	394	393	93	93
Reserve for capital	-	1,516	420	20	20
Assigned					
Reserve for encumbrances	127	95	5	40	41
Reserve for insurance recovery	50	50	50	50	50
Next year's budget	234	-	62	325	421
Unassigned	2,922	1,326	1,947	1,324	827
	<u>\$ 5,163</u>	<u>\$ 4,703</u>	<u>\$ 3,998</u>	<u>\$ 2,672</u>	<u>\$ 2,271</u>

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**SUMMARY OF ADDITIONAL COMMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Page 3**

**Future Governmental Accounting Standards**

In May 2020, the Governmental Accounting Standards Board issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which extends the implementation dates of new GASB standards for an additional year, including two standards outlined below that may have significance to the District.

**GASB 84 – Fiduciary Activities**

In 2017, the Governmental Accounting Standards Board issued Statement No. 84, Fiduciary Activities, which will be effective for the fiscal year ending June 30, 2021. This new standard's objective is to improve the guidance regarding the identification and reporting of fiduciary activities and focuses on the source of the revenue and control over activity assets. One of the characteristics of a fiduciary activity as defined by the standard are that the assets are for the benefit of individuals and the district does not have administrative involvement with the assets or direct financial involvement with the assets. School districts will be required to evaluate activity currently recorded in the trust and agency fund, including extraclassroom activities. Those activities that do not meet the fiduciary definition will be required to be reported in the governmental funds, either in the general fund or special revenue fund. The change also affects how certain fiduciary activities, custodial funds, are reported by requiring additions and subtractions to be included on the Statement of Changes in Fiduciary Net Position. We recommend the District review the new fiduciary activity standard to ensure proper adherence.

**GASB 87- Accounting for Leases**

In 2017, the Governmental Accounting Standards Board issued Statement No. 87, Accounting for Leases, which will be effective for the fiscal year ending June 30, 2022. The primary objective of this is new standard is to bring most leases onto the balance sheet. The goal is to determine if any operating leases contain a right-to-use asset and record an asset and liability related to that lease. Also under the new standard there will be changes in the terms used for the two classifications; operating leases and finance leases (previously capital leases). We recommend that the District begin to collect pertinent data on all lease agreements for evaluation along with familiarizing themselves with the new lease standard, which may include continuing education, webinars and further training.

***District response: The District will review our leases and review the new standard. We will also look for future trainings on the topic.***

**COVID-19 Pandemic**

**Federal Aid**

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to school Districts. The New York State Department of Education has allocated approximately \$223,000 of CARES Act assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. We recommend the District continue to review Federal guidance, including compliance requirements, related to this funding.

**Internal Controls IT Risks**

During the initial phases of the Pandemic, certain processes of the District that were previously performed in-person were completed remotely. Because significant data is being transmitted electronically, the District may consider performing a penetration/security test of its IT network. In addition, the District shall continue to periodically review listing of employees with access to the internal local area network to determine if accounts should be disabled or deleted and continue to periodically review user access rights to determine that employees only have rights that are commensurate with their job responsibilities.

***District response: The District will continue to monitor the Federal funding and its compliance. We will also continue to follow our strict IT protocols in compliance with the 2-d law and explore areas that our controls may be weak or need improvement.***

**Federal Programs**

During our review of major Federal programs, we noted that certain internal control processes over compliance required by Uniform Guidance are being completed but not documented, including the review of information by someone independent of the preparer. Adequate documentation would include a signature/initials and date by the preparer and reviewer for such items including: Maintenance of Effort form; Gradation rate submission; budget versus actual comparisons, etc. We recommend the District review each control and define how documentation will be evidenced.

***District response: The District understands that there is increased scrutiny over Federal programs and their internal controls. We will work to expand our control processes to add secondary reviews by someone independent of the preparer. The review will also be documented as verification that it has been completed.***

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUND  
FINANCIAL STATEMENT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b> .....	1
<b>Extraclassroom Financial Statements</b>	
Statement of Receipts and Disbursements – Cash Basis.....	2
Note to Financial Statement.....	3



## **INDEPENDENT AUDITOR'S REPORT**

**To the President and  
Members of the Board of Education  
Campbell-Savona Central School District  
Campbell, New York**

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the **Campbell-Savona Central School District** for the year ended June 30, 2020, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statements***

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

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

Our responsibility is to express an opinion on this financial statement 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 the *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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of the **Campbell-Savona Central School District** for the year ended June 30, 2020 on the basis of accounting described in Note 1.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 7, 2020**

**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS**  
**JULY 1, 2019 THROUGH JUNE 30, 2020**

	Balances July 01, 2019	Total Receipts 2019-20	Total Receipts & Balances	Total Payments 2019-20	Balances June 30, 2020
Class of 2020	\$ 13,773	\$ 11,851	\$ 25,624	\$ 25,624	\$ -
Class of 2021	6,554	3,862	10,416	2,335	8,081
Class of 2022	3,361	12,725	16,086	8,238	7,848
Class of 2023	-	6,410	6,410	3,457	2,953
Athletic Club	4,239	1,655	5,894	750	5,144
Band	7,904	14,390	22,294	11,198	11,096
Drama Club	4,007	16,435	20,442	18,998	1,444
Heal Club	1,856	-	1,856	59	1,797
Ski Club	264	5,725	5,989	5,725	264
Spanish Club	698	-	698	450	248
Student Council - HS	1,751	4,207	5,958	4,325	1,633
Yearbook	5,501	10,194	15,695	9,546	6,149
Student Council - MS	1,825	-	1,825	-	1,825
Track	895	-	895	-	895
7th Grade Trip	250	7,608	7,858	4,330	3,528
Total activity fund	\$ 52,878	\$ 95,062	\$ 147,940	\$ 95,035	\$ 52,905



**CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUND**  
**NOTE TO FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

*Page 3*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The transactions of the Extraclassroom Activity Fund are not considered part of the reporting entity of **Campbell-Savona Central School District**. Consequently, such transactions are not included in the financial statements of the School District. However, cash balances of \$52,905 are included in the Trust and Agency Fund as restricted cash, with a corresponding amount recorded as a liability in the Fund.

The accounts of the Extraclassroom Activity Fund of **Campbell-Savona Central School District** are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.



**To the President and  
Members of the Board of Education  
Campbell-Savona Central School District  
Campbell, New York**

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of **Campbell-Savona Central School District** as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered **Campbell-Savona Central School District's** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Campbell-Savona Central School District's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Campbell-Savona Central School District's** internal control.

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

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

#### ***Additional Comments***

Also included in this letter is a summary of additional comments, which we desire to bring to the Board and management's attention involving various matters.

#### **Point of Sale Records**

We commend the District for its improvement in this area. We recommend the District continue its efforts of ensuring that each cash receipt received by the central treasurer is accompanied by supporting documentation which reconciles cash received to participation times rates/fees.

#### **Timely Deposits**

During our audit, we noticed certain instances where it appeared that deposits were not being made in a timely manner. We recommend that when cash is received by the extraclassroom activity fund it is deposited in the bank.

***District's response: The District understands the importance of depositing cash in a timely manner and will remind each advisor and student treasurer of the timeframe in which cash is to be deposited.***

#### **Funds Raised for Certain Purposes**

School districts were faced with difficult decisions during school closures resulting from the Pandemic including what to do with funds raised by students for certain purposes (i.e. student trip) that didn't take place. We recommend that the District develop a policy to address this situation if it occurs in the future and consider reviewing the policy with its legal counsel.

***District's response: The District will consult with our legal counsel to determine options on policies for funds raised by students for certain purposes.***

This communication is intended solely for the information and use of management, Board of Education, and others within **Campbell-Savona Central School District**, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 7, 2020**

October 7, 2020

To the Audit Committee  
and Board of Education  
Campbell-Savona Central School District  
Campbell, New York

We have audited the financial statements of Campbell-Savona Central School District as of and for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Campbell-Savona Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were:

Management's estimate of depreciation is based on estimates of useful lives of assets and cost basis of certain assets were derived from a third-party independent appraisal company. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

In addition, the District also has estimated future costs associated with pension and other post-employment benefits and has recorded a net pension liability (TRS & ERS) and an other post-employment benefit liability based on an actuarial study performed by a third-party actuary. We evaluated the key assumptions used to develop this study and its reasonableness in relation to the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures on long-term debt in Note 3IV and the Covid-19 Pandemic in Note 5 to the financial statements, due to their significance.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Campbell-Savona Central School District

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated October 7, 2020.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

***Other Matters***

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of the District's share of the net pension asset/liability, and the schedule of the District's contributions for defined benefit pension plans, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, including combining and individual fund financial statements, the schedule of expenditures of federal awards, and other schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board and management of Campbell-Savona Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Buffamante Whipple Buttafaro PC*

BUFFAMANTE WHIPPLE BUTTAFARO, P.C