

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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2020 REPORTING PACKAGE

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JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of *Jasper-Troupsburg 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 *Jasper-Troupsburg 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 *Jasper-Troupsburg 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of *Jasper-Troupsburg 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 *Jasper-Troupsburg Central School District's* June 30, 2019 financial statements, and our report dated January 15, 2020, 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 (pages 3 through 9), budgetary comparison information (pages 36 through 37), schedule of changes in the District's net OPEB liability and related ratios (page 43), schedule of District contributions – OPEB (page 44), the schedule of the District's contributions for defined benefit pension plans (page 45), and schedule of the District's share of the net pension asset/liability (page 46), 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 **Jasper-Troupsburg 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 **Jasper-Troupsburg 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 **Jasper-Troupsburg Central School District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Jasper-Troupsburg 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 *Jasper-Troupsburg 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 *Jasper-Troupsburg 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 \$6,212,000 as compared to an increase of \$926,000 during the prior fiscal year.
- The District's total revenue decreased 1% from \$12,904,000 during the year ended June 30, 2019 to \$12,802,000 during the year ended June 30, 2020. This decrease was primarily the result of decreases in miscellaneous revenue and Medicaid funding. Those decreases were offset by an increase the Title I School Improvement grant and state lottery aid.
- The District's total expenses decreased approximately 45% from \$11,978,000 during the year ended June 30, 2019 to \$6,590,000 during the year ended June 30, 2020. This decrease was primarily related to a decrease in other post-employment benefits (OPEB) expense due to an actuarial update which included retirees moving to a Medicare Advantage Plan. This decrease was partially offset by an increase in Teachers' Retirement System and Employee's Retirement System expense resulting from an actuarial updates.
- The District's had capital outlays during the current year in the amount of approximately \$2,002,000.

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 *Jasper-Troupsburg 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" (what is owned), "liabilities" (what is owed) and the "net position" (the resources that would remain if all obligations were settled) 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.

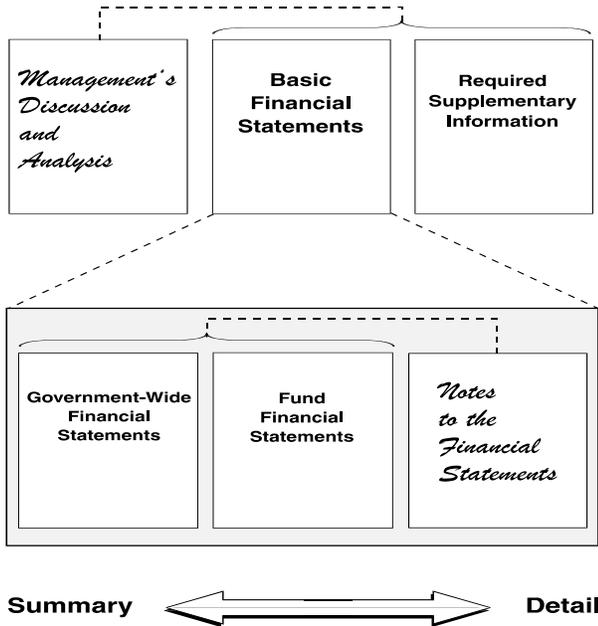
2. Fiduciary Funds

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/liability information	All assets and liabilities, 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 and liabilities, 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)

Changes in Net Position (continued)

The total cost of all programs and services of the District decreased 45% to \$6,590,000. The District's expenses cover a range of services, with 73% related to instruction and 15% 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.

Governmental Activities

Revenue of the District's governmental activities decreased approximately 1%, while total expenses decreased 45%. The District's total net position from operations increased approximately \$6,212,000 or 75% during the fiscal year ended June 30, 2020.

Figure A-5 presents the major sources of revenue of the District. Revenue of the District totaled \$12,802,000 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, increased approximately 1% during the year ended June 30, 2020. This is due to the property tax levy increasing during the year ended June 30, 2020.
- The District's most significant revenue is state sources which represent \$8,283,000 or 65% of total governmental revenue. The District's state sources decreased approximately 1% which was primarily related to a decrease in BOCES aid.
- During the year ended June 30, 2020, the District saw an increase in program revenue which mostly resulted from an increase in operating grants in the amount of \$128,000 related to a higher Title I School Improvement grant allocation in the current year. Charges for services decreased approximately \$36,000 which was related to non-reimbursable meals decreasing due to COVID-19 Pandemic related school closures.

IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net deficit was approximately \$2,126,000. The components of net position include: net investment in capital assets, of \$12,788,000; restricted net position of \$2,198,000; and unrestricted net position was an accumulated deficit of \$17,112,000 as of June 30, 2020.

Changes in Net Position

The District's total government-wide revenue decreased 1% to \$12,802,000. Approximately 23%, 9% and 65% 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.

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

Expenses

Figure A-8 presents the cost of each of the District's largest expenditure-types, which include; general support, instruction, transportation 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 \$6,590,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support decreased by approximately \$850,000 or 47% which was primarily due to a decrease in OPEB expense due to an actuarial update which included retirees moving to a Medicare Advantage Plan.
- The District's instruction costs decreased by approximately \$4,279,000, which was the result of a decrease in OPEB expense due to an actuarial update which included retirees moving to a Medicare Advantage Plan.
- Debt service of the District increased approximately \$68,000 during the year ended June 30, 2020, which resulted from an increase in interest expense.
- Transportation costs of the District decreased 46% or \$334,000 during the year ended June 30, 2020 as a result of a decrease in OPEB expense due to an actuarial update which included retirees moving to a Medicare Advantage Plan.
- The District's cost of sales (food service fund) totaled \$278,000 during the current year as compared to \$271,000 during the fiscal year ended June 30, 2019.
- The District received approximately \$1,202,000 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 (\$5.4 million) were financed by state aid and real property taxes.

Figure A-3 – Condensed Statement of Net Position

Jasper-Troupsburg Central School District
Condensed Statement of Net Position (in thousands of dollars)

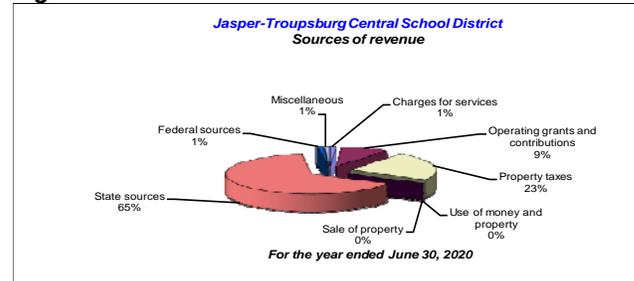
	Governmental Activities and Total District-wide		
	2020	2019	% Change
Assets			
Current and other assets	\$ 6,182	\$ 8,464	-27%
Capital assets	16,688	15,677	6%
Total assets	22,870	24,141	-5%
Deferred Outflows of Resources			
Deferred outflows related to pensions and OPEB	5,695	3,426	66%
Assets and deferred outflows related to pensions	\$ 28,565	\$ 27,567	4%
Liabilities			
Other liabilities	\$ 1,057	\$ 4,020	-74%
Long-term debt outstanding	27,037	29,047	-7%
Total liabilities	28,094	33,067	-15%
Deferred Inflows of Resources			
Deferred inflows related to pensions and OPEB	2,597	2,838	-8%
Total liabilities and deferred inflows of resources	30,691	35,905	-15%
Net Position			
Net investment in capital assets	12,788	11,891	8%
Restricted	2,198	2,412	-9%
Unrestricted (deficit)	(17,112)	(22,641)	-24%
Total net position	(2,126)	(8,338)	-75%
Total liabilities, deferred inflows of resources and net position	\$ 28,565	\$ 27,567	4%

Figure A-4 – Changes in Net Position

Jasper-Troupsburg Central School District
Changes in Net Position from Operating Results (in thousands of Dollars)

	Governmental Activities and Total District-wide		
	2020	2019	% Change
Revenue			
Program revenue			
Charges for services	\$ 102	\$ 137	-26%
Operating grants and contributions	1,100	972	13%
General revenue			
Real property taxes	2,992	2,976	1%
Use of money & property	32	26	23%
Sale of property & comp for loss	32	2	1500%
State sources	8,283	8,345	-1%
Federal sources	152	280	-46%
Miscellaneous	109	166	-34%
Total revenue	12,802	12,904	-1%
Expenses			
General support	962	1,812	-47%
Instruction	4,798	9,077	-47%
Transportation	392	726	-46%
Debt service - interest	160	92	74%
Cost of sales	278	271	3%
Total expenses	6,590	11,978	-45%
Change in net position	\$ 6,212	\$ 926	

Figure A-5 – Sources of Revenue



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

Figure A-6 - Expense

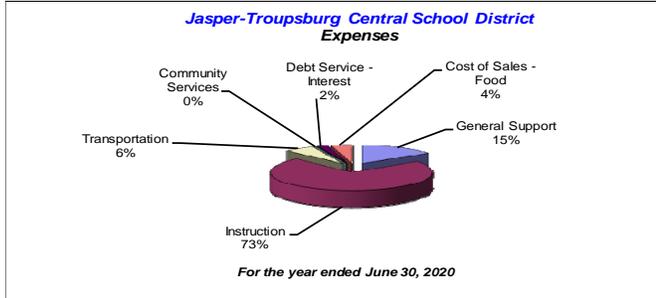


Figure A-7 – Expenditures Supported with Program Revenue

	Governmental Activities & Total District			
	2020		2019	
Expenditures supported with general revenue (from taxes & other sources)	\$ 5,388	82%	\$ 10,869	91%
Expenditures supported with program revenue	1,202	18%	1,109	9%
Total expenditures related to governmental activities	\$ 6,590	100%	\$ 11,978	100%

Figure A-8 – Net Cost of Governmental Activities

	Total cost of services			Net cost of services		
	2020	2019	Change	2020	2019	Change
General support	\$ 962	\$ 1,812	\$ (850)	\$ 962	\$ 1,812	\$ (850)
Instruction	4,798	9,077	(4,279)	3,815	8,218	(4,403)
Transportation	392	726	(334)	391	715	(324)
Debt service - interest	160	92	68	160	92	68
Cost of sales - food	278	271	7	60	32	28
Total	\$ 6,590	\$ 11,978	\$ (5,388)	\$ 5,388	\$ 10,869	\$ (5,481)

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

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

debt liabilities for the funds' projects and capital assets purchased by the funds. 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 expenditures and other uses exceeded revenue and other sources by approximately \$660,000.
- The District's general fund unassigned fund balance equated to approximately \$1,125,000 as of June 30, 2020.
- The District established many fund balance reserves during the year ended June 30, 2020, and had a total restricted fund balance was approximately \$2,135,000.
- The District's total assets decreased approximately \$2,829,000 as of June 30, 2020 which was primarily the result of a decrease in cash offset by an increase in due to other funds. The District's liabilities decreased approximately \$2,169,000, as a result of an increase accounts payable.
- Total revenue in the District's general fund decreased \$141,000, which was primarily related to a decrease in miscellaneous revenues and Medicaid funding. Total expenditures in the District's general fund increased \$1,684,000 primarily as a result of an increase in interfund transfers, BOCES instructional services and debt service.

Food Service Fund

- The District's food service fund experienced a \$92,000 increase in fund equity during the current fiscal year.
- Revenue in the District's food service fund was \$370,000 during 2020 as compared with \$239,000 in 2019. The increase in revenue was related to an increase in interfund transfers in from the General Fund. Expenditures increased approximately \$7,000 as compared to the prior year.

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$118,000 or 15% which was primarily related to an increase in Title I school improvement funding.

Capital Projects Fund

- The District had expenditures in the capital projects fund in the amount of approximately \$1,978,000 during the year ended June 30, 2020 related to the 2018 capital project.

VI. General Fund Budgetary Highlights

Over the course of the year, the District makes many budget transfers, which is the common method utilized to manage the budget throughout the year. Actual expenditures were approximately \$991,000 below the revised budget. The most significant negative variances were in the area of interfund transfers and debt service which totaled approximately \$212,000 and \$52,000, respectively, above that budgeted. On the other hand, resources available for appropriations were approximately \$67,000, above the final budgeted amount. Significant variances of revenue items consisted of local and Federal sources that were \$210,000 and \$102,000, respectively, above that budgeted. Those variances were offset by State sources which was \$300,000, below the final budgeted amount.

Figure A-9 – Budget vs. Actual Comparison

<i>Jasper-Troupsburg Central School District</i>					
General Fund - Budget vs Actual Comparison (in thousands of dollars)					
	Revised Budget	Actual	Difference	%	
Revenue					
Local sources	\$ 3,010	\$ 3,220	\$ 210	7%	
State sources	8,583	8,283	(300)	-3%	
Federal sources	50	152	102	204%	
Interfund transfers	-	55	55	n/a	
Total revenue	\$ 11,643	\$ 11,710	\$ 67	1%	
Expenditures					
General support	\$ 1,508	\$ 1,244	\$ 264	18%	
Instruction	6,366	5,861	505	8%	
Transportation	673	575	98	15%	
Employee benefits	2,923	2,535	388	13%	
Debt service	596	648	(52)	-9%	
Interfund transfers	1,295	1,507	(212)	-16%	
Total expenditures	\$ 13,361	\$ 12,370	\$ 991	7%	

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

Long-term Debt and Liabilities

As depicted in Figure A-11, as of June 30, 2020, the District had approximately \$ in bonds, net pension liability, and other post-employment benefits liabilities, an increase of approximately \$27,037,000 as compared with the previous year. The decrease is primarily the result of a decrease in other post-employment benefits liabilities due to an actuarial update. During the current year, the District issued new bonds related to its capital project.

Figure A-10 – Capital Assets

<i>Jasper-Troupsburg Central School District</i>			
Capital Assets (net of depreciation)			
	Governmental Activities & Total District-wide		
	2020	2019	Change
Land	\$ 21,859	\$ 21,859	0%
Buildings	27,078,368	27,078,368	0%
Construction in progress	3,038,220	1,115,059	172%
Equipment	4,462,386	4,397,100	1%
Accumulated depreciation	(17,912,693)	(16,935,221)	6%
Total Capital Assets, net	\$ 16,688,140	\$ 15,677,165	6%

Figure A-11 – Outstanding Long-term Debt and Liabilities

<i>Jasper-Troupsburg Central School District</i>			
Outstanding Long-Term Debt and Liabilities			
	Governmental Activities & Total District-wide		
	2020	2019	Change
Bonds payable	\$ 4,468,999	\$ 3,275,000	36%
Other post-employment benefits	21,602,032	25,508,239	-15%
Net pension liability	966,288	263,745	266%
Total Long-Term Debt and Liabilities	\$ 27,037,319	\$ 29,046,984	-7%

VII. Capital Assets and Debt Administration

Capital Assets

As depicted in Figure A-10, as of June 30, 2020, the District had invested approximately \$16,688,000 in a broad range of capital assets, including reconstruction projects, transportation vehicles, computer equipment, and other equipment. There were approximately \$2,002,000 capital additions during the year ended June 30, 2020 related to the 2018 construction project. More detailed information about the District's capital assets is presented in the notes of the financial statements.

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 against the budget projections and potentially adjust State aid to school districts that could potentially result in midyear 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:

Jasper-Troupsburg Central School District
Alexis Devine, Business Official
Administration Office
3769 State Route 417
Jasper, New York

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

Schedule 1

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	<u>2020</u>	<u>2019</u>
Assets		
Cash		
Unrestricted	\$ 1,738,707	\$ 1,767,689
Restricted	2,197,662	2,412,440
Receivables		
State and federal aid	721,184	628,383
Other receivables	41,901	-
Due from other governments	270,601	332,898
Due from fiduciary funds	56,060	50,586
Inventories	16,224	17,061
Net pension asset - NYS Teachers' Retirement System	562,536	374,626
Cash to be used for capital assets	577,321	2,880,076
Capital assets, net	16,688,140	15,677,165
Total assets	<u>22,870,336</u>	<u>24,140,924</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	2,567,459	2,369,720
Deferred outflows related to OPEB	3,128,027	1,056,022
Total deferred outflows of resources	<u>5,695,486</u>	<u>3,425,742</u>
Total assets and deferred outflows of resources	<u>\$ 28,565,822</u>	<u>\$ 27,566,666</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 617,238	\$ 792,969
Accrued liabilities	22,157	21,560
Accrued interest	27,000	5,000
Due to other governments	-	241
Due to retirement systems	390,362	449,815
Bond anticipation notes payable	-	2,750,000
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	735,000	510,000
Portion due or payable after one year		
Bonds payable	3,733,999	2,765,000
Net pension liability - NYS Employees' Retirement System	966,288	263,745
Other post-employment benefit	21,602,032	25,508,239
Total liabilities	<u>28,094,076</u>	<u>33,066,569</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	842,391	572,099
Deferred inflows related to OPEB	1,754,887	2,266,108
Total deferred inflows of resources	<u>2,597,278</u>	<u>2,838,207</u>
Total liabilities and deferred inflows of resources	<u>30,691,354</u>	<u>35,904,776</u>
Net Position		
Net investment in capital assets	12,788,718	11,890,751
Restricted	2,197,662	2,412,440
Unrestricted (deficit)	(17,111,912)	(22,641,301)
Total net position (deficit)	<u>(2,125,532)</u>	<u>(8,338,110)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 28,565,822</u>	<u>\$ 27,566,666</u>

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

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 2

Page 11

		Indirect	Program Revenues		2020	2019
	Expenses	Expenses	Charges for	Operating	Net (Expense)	Net (Expense)
		Allocation	Services	Grants	Revenue and	Revenue and
					Changes in	Changes in
					Net Position	Net Position
Functions/Programs						
General support	\$ 804,008	\$ 158,315	\$ -	\$ -	\$ (962,323)	\$ (1,812,288)
Instruction	4,038,059	758,616	56,591	925,286	(3,814,798)	(8,218,416)
Pupil transportation	318,169	74,300	-	1,840	(390,629)	(714,770)
Debt service	159,747	-	-	-	(159,747)	(91,816)
Food service program	278,202	-	45,250	173,063	(59,889)	(32,017)
Depreciation	991,231	(991,231)	-	-	-	-
Total functions and programs	<u>\$ 6,589,416</u>	<u>\$ -</u>	<u>\$ 101,841</u>	<u>\$ 1,100,189</u>	<u>(5,387,386)</u>	<u>(10,869,307)</u>
General Revenues						
Real property taxes					2,992,606	2,975,983
Use of money and property					32,020	25,612
Sale of property and compensation for loss					31,799	2,392
Miscellaneous					108,641	165,417
State sources					8,282,779	8,345,375
Federal sources					152,119	280,374
Total general revenues					<u>11,599,964</u>	<u>11,795,153</u>
Change in net position					6,212,578	925,846
Net position (deficit) - beginning of year					<u>(8,338,110)</u>	<u>(9,263,956)</u>
Net position (deficit) - end of year					<u>\$ (2,125,532)</u>	<u>\$ (8,338,110)</u>

JASPER-TROUBSBURG CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

Schedule 3

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	<i>Governmental Funds</i>						2020	2019
	General	Special Aid	Food Service	Debt Service	Capital Projects	(Memo only) Total	(Memo only) Total	
Assets								
Unrestricted cash	\$ 1,750,198	\$ 45,885	\$ 44,281	\$ -	\$ -	\$ 1,840,364	\$ 1,772,205	
Restricted cash	2,135,474	-	-	55,955	481,897	2,673,326	5,288,000	
Due from other funds	735,010	-	-	6,233	95,424	836,667	3,295,187	
State and federal aid receivable	89,591	623,450	8,143	-	-	721,184	628,383	
Other receivables	41,132	-	769	-	-	41,901	-	
Due from other governments	270,601	-	-	-	-	270,601	332,898	
Inventories	-	-	16,224	-	-	16,224	17,061	
Total assets	<u>\$ 5,022,006</u>	<u>\$ 669,335</u>	<u>\$ 69,417</u>	<u>\$ 62,188</u>	<u>\$ 577,321</u>	<u>\$ 6,400,267</u>	<u>\$ 11,333,734</u>	
Liabilities and Fund Equity								
Liabilities								
Accounts payable	\$ 554,290	\$ 61,437	\$ -	\$ -	\$ 1,511	\$ 617,238	\$ 792,969	
Accrued liabilities	22,157	-	-	-	-	22,157	21,560	
Bond anticipation notes payable	-	-	-	-	-	-	2,750,000	
Due to other funds	95,424	607,898	71,052	-	6,233	780,607	3,244,601	
Due to other governments	-	-	-	-	-	-	241	
Due to Teachers' Retirement System	336,414	-	-	-	-	336,414	410,148	
Due to Employees' Retirement System	53,948	-	-	-	-	53,948	39,667	
Total liabilities	<u>1,062,233</u>	<u>669,335</u>	<u>71,052</u>	<u>-</u>	<u>7,744</u>	<u>1,810,364</u>	<u>7,259,186</u>	
Fund Equity								
Nonspendable	-	-	16,224	-	-	16,224	17,061	
Restricted	2,135,474	-	-	62,188	-	2,197,662	2,412,440	
Assigned	699,675	-	-	-	569,577	1,269,252	408,054	
Unassigned (deficit)	1,124,624	-	(17,859)	-	-	1,106,765	1,236,993	
Total fund equity (deficit)	<u>3,959,773</u>	<u>-</u>	<u>(1,635)</u>	<u>62,188</u>	<u>569,577</u>	<u>4,589,903</u>	<u>4,074,548</u>	
Total liabilities and fund equity	<u>\$ 5,022,006</u>	<u>\$ 669,335</u>	<u>\$ 69,417</u>	<u>\$ 62,188</u>	<u>\$ 577,321</u>	<u>\$ 6,400,267</u>	<u>\$ 11,333,734</u>	

JASPER-TROUPSBURG 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
Revenue							
Real property taxes	\$ 2,992,606	\$ -	\$ -	\$ -	\$ -	\$ 2,992,606	\$ 2,975,983
Charges for services	56,591	-	-	-	-	56,591	61,040
Use of money and property	30,032	-	38	1,988	-	32,058	25,703
Sale of property compensation for loss	31,799	-	-	-	-	31,799	2,392
Miscellaneous	108,641	-	12,500	-	-	121,141	170,428
State sources	8,282,779	173,384	24,991	-	-	8,481,154	8,543,060
Federal sources	152,119	753,742	131,636	-	-	1,037,497	1,036,989
Surplus food	-	-	16,436	-	-	16,436	17,207
Sales (school food service)	-	-	32,712	-	-	32,712	71,364
Total revenue	11,654,567	927,126	218,313	1,988	-	12,801,994	12,904,166
Expenditures							
General support	1,243,886	-	109,607	-	-	1,353,493	1,492,648
Instruction	5,860,719	925,286	-	-	-	6,786,005	6,244,120
Pupil transportation	575,162	1,840	-	-	-	577,002	527,266
Employee benefits	2,534,635	-	50,251	-	-	2,584,886	2,792,111
Debt service							
Principal	510,000	-	-	-	-	510,000	495,000
Interest	137,747	-	-	-	-	137,747	92,816
Capital outlay	-	-	-	-	1,923,161	1,923,161	961,758
Cost of sales	-	-	79,621	-	-	79,621	86,459
Other expenses	-	-	38,723	-	-	38,723	35,726
Total expenditures	10,862,149	927,126	278,202	-	1,923,161	13,990,638	12,727,904
Excess (deficiency) of revenue over expenditures	792,418	-	(59,889)	1,988	(1,923,161)	(1,188,644)	176,262
Other sources and uses							
Proceeds from the issuance of bonds	-	-	-	-	1,455,000	1,455,000	-
Premium on issuance of debt	-	-	-	-	248,999	248,999	-
Operating transfers in	54,847	-	152,099	-	1,355,000	1,561,946	-
Operating transfers out	(1,507,099)	-	-	-	(54,847)	(1,561,946)	-
Total other sources (uses)	(1,452,252)	-	152,099	-	3,004,152	1,703,999	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	(659,834)	-	92,210	1,988	1,080,991	515,355	176,262
Fund equity (deficit), beginning of year	4,619,607	-	(93,845)	60,200	(511,414)	4,074,548	3,898,286
Fund equity (deficit), end of year	\$ 3,959,773	\$ -	\$ (1,635)	\$ 62,188	\$ 569,577	\$ 4,589,903	\$ 4,074,548

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020

Schedule 5

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	Private Purpose Trusts	Agency Funds	Total 6/30/2020	(Memo only) Total 6/30/2019
Assets				
Cash	\$ 10,385	\$ 272,504	\$ 282,889	\$ 252,959
Total assets	\$ 10,385	\$ 272,504	\$ 282,889	\$ 252,959
Liabilities				
Accrued liabilities	\$ -	\$ 135,346	\$ 135,346	\$ 123,915
Due to other funds	-	56,060	56,060	50,586
Student extraclassroom activity funds	-	81,098	81,098	65,485
Total liabilities	-	272,504	272,504	239,986
Net Position				
Reserved for scholarships	10,385	-	10,385	12,973
Total liabilities and net position	\$ 10,385	\$ 272,504	\$ 282,889	\$ 252,959

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 6

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	6/30/2020	(Memo only) 6/30/2019
Additions		
Interest earnings	\$ 12	\$ 16
Total additions	12	16
Deductions		
Scholarships awarded	2,600	-
Total deductions	2,600	-
Change in net position	(2,588)	16
Net position - beginning of year	12,973	12,957
Net position - end of year	<u>\$ 10,385</u>	<u>\$ 12,973</u>

JASPER-TROUPSBURG 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 \$ 4,589,903

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	\$ 34,600,833	
Accumulated depreciation	<u>(17,912,693)</u>	16,688,140

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. 562,536

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due. (27,000)

Deferred inflows/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. 1,725,068

Deferred inflows/outflows 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. 1,373,140

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	(4,468,999)	
Net pension liability	(966,288)	
Other post-employment benefits	<u>(21,602,032)</u>	<u>(27,037,319)</u>

Total net position - governmental activities \$ (2,125,532)

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liabilities and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 4,513,690	\$ -	\$ -	\$ (577,321)	\$ 3,936,369
Due from other funds	836,667	-	-	(780,607)	56,060
State and federal aid receivable	721,184	-	-	-	721,184
Other receivables	41,901	-	-	-	41,901
Due from other governments	270,601	-	-	-	270,601
Inventories	16,224	-	-	-	16,224
Net pension asset	-	562,536	-	-	562,536
Cash to be used for capital assets	-	-	-	577,321	577,321
Capital assets	-	16,688,140	-	-	16,688,140
Total assets	6,400,267	17,250,676	-	(780,607)	22,870,336
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	2,567,459	-	-	2,567,459
Deferred outflows related to OPEB	-	3,128,027	-	-	3,128,027
Total assets and deferred outflows of resources	\$ 6,400,267	\$ 22,946,162	\$ -	\$ (780,607)	\$ 28,565,822
Liabilities, Deferred Inflows of Resources, and Fund Equity/Net Position (Deficit)					
Liabilities					
Accounts payable	\$ 617,238	\$ -	\$ -	\$ -	\$ 617,238
Accrued liabilities	22,157	-	-	-	22,157
Accrued interest	-	-	27,000	-	27,000
Due to other funds	780,607	-	-	(780,607)	-
Due to retirement systems	390,362	-	-	-	390,362
Bonds payable	-	-	4,468,999	-	4,468,999
Net pension liability	-	-	966,288	-	966,288
Other post-employment benefits	-	-	21,602,032	-	21,602,032
Total liabilities	1,810,364	-	27,064,319	(780,607)	28,094,076
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	842,391	-	842,391
Deferred inflows related to OPEB	-	-	1,754,887	-	1,754,887
Total liabilities and deferred inflows of resources	1,810,364	-	29,661,597	(780,607)	30,691,354
Fund equity, deferred inflows of resources and net position (deficit)					
	4,589,903	22,946,162	(29,661,597)	-	(2,125,532)
Total liabilities, deferred inflows of resources and fund equity/net position	\$ 6,400,267	\$ 22,946,162	\$ -	\$ (780,607)	\$ 28,565,822

JASPER-TROUPSBURG 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

Total net change in fund balances - governmental funds	\$	515,355
<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	\$	2,002,206
Depreciation expense	<u>(991,231)</u>	1,010,975
<p>Repayment of bond principal, including payment towards the refunding of bonds, capital lease principal and bond anticipation notes principal is an expenditure the governmental funds but the repayment reduces long-term liabilities in the statement of net position.</p>		
		510,000
<p>Proceeds from issuance of bonds (including bond premiums) are recorded as revenue in the governmental funds. However, in the statement of activities, proceeds from the issuance of bonds is not recorded as revenue but rather the amount is recorded as a liability in the statement of net position.</p>		
		(1,703,999)
<p>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 and bond premium amortization is recognized as the interest accrues, regardless of when it is due.</p>		
		(22,000)
<p>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 the District's required contribution to pension plans.</p>		
		(587,186)
<p>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 District's required contribution to the OPEB plan.</p>		
		<u>6,489,433</u>
Change in net position of governmental activities	\$	<u>6,212,578</u>

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 2,992,606	\$ -	\$ -	\$ -	\$ 2,992,606
Charges for services	56,591	-	-	(56,591)	-
Use of money and property	32,058	-	-	(38)	32,020
Sale of property compensation for loss	31,799	-	-	-	31,799
Miscellaneous	121,141	-	-	(12,500)	108,641
State sources	8,481,154	-	-	(198,375)	8,282,779
Federal sources	1,037,497	-	-	(885,378)	152,119
Surplus food	16,436	-	-	(16,436)	-
Sales (school food service)	32,712	-	-	(32,712)	-
Total revenue	12,801,994	-	-	(1,202,030)	11,599,964
Expenditures					
General support	1,353,493	105,270	-	(496,440)	962,323
Instruction	6,786,005	758,616	-	(3,729,823)	3,814,798
Pupil transportation	577,002	48,300	-	(234,673)	390,629
Employee benefits	2,584,886	-	(5,902,247)	3,317,361	-
Debt service	647,747	-	(488,000)	-	159,747
Capital outlay	1,923,161	(1,923,161)	-	-	-
Cost of sales	79,621	-	-	(19,732)	59,889
Other expenses	38,723	-	-	(38,723)	-
Total expenditures	13,990,638	(1,010,975)	(6,390,247)	(1,202,030)	5,387,386
Other sources and uses					
Proceeds from advance refunding of bonds	1,455,000	-	(1,455,000)	-	-
Premiums on issuance of debt	248,999	-	(248,999)	-	-
Operating transfers in	1,561,946	-	-	(1,561,946)	-
Operating transfers out	(1,561,946)	-	-	1,561,946	-
Total other sources (uses)	1,703,999	-	(1,703,999)	-	-
Net change for year	\$ 515,355	\$ 1,010,975	\$ 4,686,248	\$ -	\$ 6,212,578

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

The accompanying financial statements of the *Jasper-Troupsburg 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 *Jasper-Troupsburg Central School District* represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the School District with respect to its financial transactions, and the designation of student management. The cash 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 *Jasper-Troupsburg Central School District* is one of 22 component school districts in the Greater Southern Tier 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 approximately \$2,297,000 for BOCES administration and program costs. The District's share of BOCES aid and refunds amounted to approximately \$800,000 for the year ended June 30, 2020. Financial statements for the Greater Southern Tier 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.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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.

Fiduciary Fund Types - This fund is used to account for fiduciary activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

Fiduciary Fund Types (continued)- 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. Included in the Fiduciary Fund are Private Purpose Trust Funds and Agency Funds. 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. Private Purpose Trust Funds are accounted for on the 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. Non-expendable trust funds are accounted for on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recorded when incurred.

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.

JASPER-TROUPSBURG 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)

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. Investments

Investments are stated at current market value.

H. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2009. For assets acquired to June 30, 2009, estimated historical cost, based on an appraisal conducted by independent third-party professional was used. 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
Land			
Improvements	\$ 1,000	Straight-line	20 years
Buildings and improvements	1,000	Straight-line	30-40 years
Furniture and equipment	1,000	Straight-line	5-20 years
Vehicles	1,000	Straight-line	8 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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.

J. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time. Sick leave and vacation eligibility and accumulation is specified in negotiated labor contracts, and in individual labor contracts. On an annual basis, prior to year end, employees that have accumulated more than 200 days of compensated absences are reimbursed for the number of days that exceed 200 days at standard rates dictated by the labor contracts. Upon retirement unused compensated absences are forfeited. As payments have been made prior to year end, no liability is included in the fund or District-wide statements as of June 30, 2020.

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 District 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 and OPEB subsequent to measurement date. Lastly, the third item related to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Inflows and Outflows of Resources (continued)

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS 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 is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

L. 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 deferred revenue is removed and revenue is recognized. Unearned revenues recorded in the governmental funds are not recorded in the District-wide statements.

M. Post-Employment Benefits

In addition to the retirement benefits described in Note 3, 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. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working of the District. Health care plans 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. 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.

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:

1. Unemployment Reserve

This reserve is used to accumulate funds to pay the 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 transferred to another reserve or applied to the appropriations of the next 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.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

2. 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.

3. 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.

4. 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.

5. Reserve for Debt Service

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. This reserves is accounted for in the Debt Service Fund.

6. Reserve for Endowment Scholarships

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 accounted for un the Private Purpose Trust Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

7. 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.

8. Workers' Compensation Reserve

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

9. Capital Reserve

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

10. Repair Reserve

This reserve is use to accumulate funds to finance future costs of major repairs to capital improvements or equipment. Voter authorization is required to fund the reserve. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding years. This reserve is accounted for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. 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 Encumbrances

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. If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. The District had approximately \$16,074 in the reserve for encumbrances as of June 30, 2020.

2. Appropriated Fund Balance

General Fund - The amount of \$683,601 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.

3. Capital Project Assigned Fund Balance

Capital Fund – The amount of \$569,577 has been designated for use on current capital projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. 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. Net Investment in Capital Assets

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

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. 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.
- 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. During the fiscal year ended June 30, 2020, the District had no supplemental appropriations. During the fiscal year ended June 30, 2020, the District had supplemental appropriations of \$1,295,000 related to a transfer from the general fund to the general fund to the capital projects fund.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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 County, in which the School District resident 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.

Q. Interfund Transfers

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

R. Deferred Compensation Plan

Jasper-Troupsburg 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.

S. 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.

T. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

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

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

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

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

Total fund balances of the District's governmental funds differs 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 *Jasper-Troupsburg 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.

JASPER-TROUPSBURG 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)

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.

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 \$5,095,000. Deposits are categorized as follows:

Category 1	Category 2	Category 3	Carrying Value
\$ 761,000	\$ 4,334,000	\$ -	\$ 5,095,000

II. Interfund Transactions

Interfund balances and transactions as of and during the year ended June 30, 2020 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 735,010	\$ 95,424
Food Service Fund	-	71,052
Special Aid Fund	-	607,898
Capital Projects Fund	95,424	6,233
Debt Service Fund	6,233	-
Fiduciary Funds	-	56,060
Total	\$ 836,667	\$ 836,667

	Interfund Revenue	Interfund Expenditures
General Fund	\$ 54,847	\$ 1,507,099
Capital Fund	1,355,000	54,847
School Lunch Fund	152,099	-
Total	\$ 1,561,946	\$ 1,561,946

During the year ended June 30, 2020, the District transferred \$152,099 from the general fund to the school lunch fund to subsidize operations and eliminate a portion of the accumulated deficit. In addition, the District transferred \$1,355,000 from the general fund to the capital fund to pay for expenditures relating to the 2018 capital project.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

II. Interfund Transactions (continued)

The district also transferred \$54,847 from the Capital Fund to the General Fund related to capitalized interest.

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	\$ 623,450
General	State and Federal Aid	89,591
General	Other Receivables	41,132
General	Due from Other Governments	270,601
Food Service Fund	State and Federal Aid	8,143
Food Service Fund	Other Receivables	769
		<u>\$1,033,686</u>

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 reported in the general fund balance sheet and district-wide statement of net position have been adjusted by \$89,597 to reflect the 20% withholding.

IV. Capital Assets

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

	Beginning Balance 06/30/19	Net change	Ending Balance 06/30/20
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 21,859	\$ -	\$ 21,859
Construction in Process	1,115,059	1,923,161	3,038,220
Capital assets that are depreciated:			
Buildings and improvements	27,078,368	-	27,078,368
Furniture, equipment, and vehicles	4,397,100	65,286	4,462,386
Total depreciable historical cost	<u>31,475,468</u>	<u>\$ 65,286</u>	<u>31,540,754</u>

JASPER-TROUPSBURG 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)

Less accumulated depreciation:			
Buildings and improvements	13,887,853	\$ 814,569	14,702,422
Furniture, equipment, and vehicles	3,047,368	162,903	3,210,271
Total accumulated depreciation	16,935,221	\$ 977,472	17,912,693
Total net book value	\$15,677,165		\$16,688,140

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

General support	\$ 158,315
Instruction	758,616
Pupil transportation	74,300
	<u>\$ 991,231</u>

The District had capital additions in the amount of \$2,002,206 in the current year.

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. 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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided (continued)

b. 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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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.

JASPER-TROUPSBURG 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. Contributions (continued)

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

Year	TRS	ERS
2020	\$ 306,000	\$ 159,000
2019	384,000	170,000
2018	331,000	163,000

The School District contributions made to the Systems were equal to 100% of the contributions required for each year.

Since 1989, the TRS' billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis.

Over the years, State Legislature authorized local governments to make available retirement incentive programs to qualifying employees. The District had no expenditures incurred and no liability accrued related to the retirement incentive liabilities as of and for the year ended June 30, 2020.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

4. 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) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

Measurement date	ERS 3/31/2020	TRS 6/30/2019
Net pension asset (liability)	\$ (966,288)	\$ 562,536
District's portion of the Plan's total net pension liability	.0036490%	.021653%

For the year ended June 30, 2020, the District recognized pension expense of \$340,769 for ERS and \$725,969 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	\$ 56,870	\$ 381,216	\$ -	\$ 41,831
Changes of assumptions	19,456	1,062,706	16,800	259,118
Net difference between projected and actual earnings on pension plan investments	495,366	-	-	451,125
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	36,064	155,662	15,439	58,078
District's contributions subsequent to the measurement date	53,948	306,171	-	-
Total	\$ 661,704	\$ 1,905,755	\$ 32,239	\$ 810,152

JASPER-TROUPSBURG 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)

4. 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 in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, including contributions subsequent to the measurement date, will be recognized in pension expense as follows:

Year ending:	ERS		TRS	
2021	\$	97,872	\$	284,796
2022		146,425		46,445
2023		184,939		283,873
2024		146,281		181,322
2025		-		21,063
Thereafter		-		(28,067)

5. 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	3/31/2020	6/30/2019
Actuarial valuation date	4/1/2019	6/30/2018
Interest rate	6.8%	7.1%
Salary scale	4.2% average	1.90% - 4.72%
	4/1/10 – 3/31/15	7/1/09 – 6/30/14
	System's	System's
Decrement tables	Experience	Experience
Inflation rate	2.5%	2.2%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

5. 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 generational basis.

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.

Measurement date	ERS 3/31/20	Expected Rate of Return	TRS 6/30/19	Expected Rate of Return
Asset Type:				
Domestic Equity	36%	4.05%	33%	6.3%
International Equity	14%	6.15%	16%	7.8%
Global Equity	-%	-%	4%	7.2%
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%	0.75%	-%	-%
Cash and short-term	1%	-%	1%	0.3%
Inflation-indexed bond funds	4%	0.5%	-%	-%
Real estate debt	-%	-%	7%	2.9%
Private debt	-%	-%	1%	6.5%
Total:	100%		100%	

JASPER-TROUPSBURG 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)

6. Discount Rate

The discount rate used to calculate the total pension asset (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 asset (liability).

7. 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)	\$ (1,773,411)	\$ (966,288)	\$ (222,924)
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
Employer's proportionate share of the net pension asset/ (liability)	\$ (2,539,230)	\$ 562,536	\$ 3,164,568

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 asset (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)	\$ 2,598,007
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 \$53,948.

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 \$336,414 (employer contributions \$306,171 and employee contributions of \$30,243).

JASPER-TROUPSBURG 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). The Plan provides medical and vision 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

For the fiscal year ended June 30, 2018 the plan had total active employees of 87 and retirees of 76.

Total OPEB Liability

The District's total OPEB liability of \$21,602,032 was measured as of July 1, 2019 and was determined by an actuarial valuation as of July 1, 2018 and was actuarially rolled forward for the fiscal year ended June 30, 2020.

Actuarial Methods 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:

Inflation	2.25% per year
Salary increases	2.5% per year
Discount rate	3.13% as of July 1, 2019 and 3.62% as of July 1, 2018 2020 – 6.75% reduced to an ultimate rate of 3.784% after 2075.
Healthcare cost trend rates	District pays 75% of medical and 100% of Part B but no more than 100% of the medical premium
Retirees' share of benefit-related costs	more than 100% of the medical premium

The discount rate was based on a yield for 20 year tax-exempt general obligation municipal bonds.

Mortality rates were based on the RP-2014 Total Dataset Mortality Table fully generational using Scale MP-2018.

The actuarial assumptions used in the July 1, 2018 valuation represent a long-term expectation of future OPEB outcomes.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability

Service cost	\$	894,762
Interest		938,181
Differences between expected and actual experience		-
Change of benefit terms		(7,377,164)
Changes in assumptions		2,610,810
Benefit payments		(972,796)
Net changes		(3,906,207)
Net OPEB liability – beginning of year		25,508,239
Net OPEB liability – end of year	\$	21,602,032

Changes in assumptions reflect a change in the discount rate from 3.62% in 2019 to 3.13% in 2020. Health care trend rate from 7%-3.886% in 2019 to 6.75%-3.784% in 2020. Mortality rates based on Scale MP-2018 in 2020 and Scale MP-2017 in June 2019.

Changes in benefit terms reflect that as of the June 30, 2019 measurement date, post-65 retirees were required to move from the Steuben Area Schools Plan C to the Aetna Medicare Advantage Plan.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13%) or 1 percentage point higher (4.13%) than the current discount rate:

	1% Decrease (2.13%)	Current Assumption (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$ 25,018,319	\$ 21,602,032	\$ 18,847,570

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.75%- 2.784%)	Current Assumption (6.75%- 3.784%)	1% Increase (7.75%- 4.784%)
Total OPEB liability	\$ 18,474,132	\$ 21,602,032	\$ 25,825,367

JASPER-TROUPSBURG 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)

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

For the year ended June 30, 2020, the District recognized OPEB expense(credit) of \$(6,489,433). 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	\$ 67,374	\$ -
Changes in assumptions	2,204,142	1,754,887
Benefits paid subsequent to measurement period	856,511	-
Total	\$ 3,128,027	\$ 1,754,887

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	\$ (88,701)
2022	(88,701)
2023	(88,701)
2024	224,651
2025	387,279
Thereafter	170,802

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

1. Short-Term Debt (continued)

a. Bond Anticipation Notes (continued)

On June 27, 2019, the District issued a bond anticipation note in the amount of \$2,750,000 to pay for current capital project expenditures. The note carried an interest rate of 2.00% (with effective interest rate of 1.87%) and matured on June 26, 2020 at which time the District issued serial bonds. Interest paid for the year ended June 30, 2020 was \$54,847 in the General Fund as capitalized interest.

2. Long-Term Debt

a. Debt Limit

At June 30, 2020, the total indebtedness represents approximately 21% 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.

On June 27, 2020 the District issued serial bonds in the amount of \$1,455,000 carrying an interest rate of 5.0% per annum and are set to mature on June 15, 2034.

**JASPER-TROUPSBURG 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)

3. Long-Term Debt (continued)

c. Changes

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

	Balance June 30, 2020	Balance June 30, 2019
2012 serial bonds	\$ 2,645,000	\$ 3,060,000
2014 serial bonds	-	40,000
2016 serial bonds	120,000	175,000
2020 serial bonds	1,703,999	-
Net pension liabilities - ERS	966,288	263,745
Other post-employment benefits	21,602,032	25,508,239
	<u>\$ 27,037,319</u>	<u>\$ 29,046,984</u>

During the year, the District made principal payments on its serial bonds in the amount of \$510,000. The District also issued a new serial bond in the amount of \$1,455,000 which had premiums of \$248,999. The net change in other post-employment benefits was a decrease of \$3,906,207 during the fiscal year ended June 30, 2020 due to an actuarial update. The net pension liability – ERS increased \$702,543 during the current year.

d. Maturity

1. 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 2028, with interest rates ranging from 2.00%-3.00%. Proceeds used to finance District's capital project.	<u>\$ 2,645,000</u>
Serial Bonds, issued in 2016 with a maturity date of 2022, with interest rates ranging from 1.875%-2.00%. Proceeds used to finance bus purchases.	<u>120,000</u>
Serial Bonds, issued in 2020 with a maturity date of 2034, with an interest rate of 5.00%. Proceeds used to finance District's capital project.	1,455,000
Plus: Unamortized premiums on bonds	248,999
	<u>1,703,999</u>
	<u>\$ 4,468,999</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity (continued)

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

Year	Serial Bonds – 2012 Construction Bonds	
	Principal	Interest
2021	\$ 425,000	\$ 71,250
2022	430,000	61,688
2023	445,000	51,475
2024	455,000	40,350
2025	460,000	26,700
2026-28	430,000	19,500
Total	<u>\$ 2,645,000</u>	<u>\$ 270,963</u>

Year	Serial Bonds – 2016 Bus Bonds	
	Principal	Interest
2021	\$ 60,000	\$ 1,800
2022	60,000	600
Total	<u>\$ 120,000</u>	<u>\$ 2,400</u>

Year	Serial Bonds – 2020 Construction Bonds	
	Principal	Interest
2021	\$ 250,000	\$ 93,767
2022	190,000	60,250
2023	65,000	50,750
2024	70,000	47,500
2025	70,000	44,000
2026-2030	410,000	163,250
2031-2034	400,000	50,750
Total	<u>\$ 1,455,000</u>	<u>\$ 510,267</u>

e. Long-Term Debt Interest

Interest expense on long-term debt amounted to \$82,900 for the year ended June 30, 2020.

f. Premium, 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 were expensed when the bonds were issued in accordance with GASB 65.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity

A. Fund Equity

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

<u>Category/Fund</u>	<u>Description</u>	<u>Balance June 30, 2020</u>
Nonspendable:		
Food Service	Inventory reserve	\$ 16,224
Restricted:		
General	Reserve for employee benefits	\$ 90,869
	Retirement contribution reserve	276,407
	Teachers' Retirement System reserve	128,000
	Workers' compensation reserve	175,702
	Tax certiorari reserve	66
	Repair reserve	285,043
	Unemployment reserve	132,540
	Capital reserve	1,046,847
		<u>\$ 2,135,474</u>
Debt Service	Reserve for debt service	\$ 62,188
Private Purpose Trust	Reserve for endowment scholarships	\$ 10,385
Assigned:		
General	Appropriated fund balance	\$ 683,601
	Reserve for encumbrances	16,074
		<u>\$ 699,675</u>
Capital	Assigned Fund Balance	\$ 569,577

B. Deficit Fund Balances

The District had an accumulated deficit, excluding non-spendable fund balance, in the amount of \$17,859 in the food service fund resulting from net losses from operations in the current and prior fiscal years. Management is evaluating its options with respect to alleviating this deficit.

C. Assigned – Appropriated Fund Balance

General Fund - The amount of \$683,601 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 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity (continued)

D. District-wide Net Position

Net position of the District include restricted net position of \$2,197,662 which represent restricted amounts in the general and debt service funds.

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

The *Jasper-Troupsburg 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 and accident coverage, *Jasper-Troupsburg Central School District* is a participant in the Steuben Area Schools Plan, a public entity risk pool operated for the benefit of 9 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 *Jasper-Troupsburg 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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies (continued)

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.

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.

NOTE 4 - CAPITAL PROJECTS

In 2018, the District's voters approved a capital project for construction, reconstruction, and equipping of school buildings and facilities at an estimated maximum aggregate cost of \$3,720,000. The District had expenditures of \$1,978,008 recorded in the capital projects fund during the year ended June 30, 2020 related to the new capital project.

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 Seamless Option.

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 \$483,000 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.

NOTE 5 – COVID 19 PANDEMIC (CONTINUED)

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

JASPER-TROUPSBURG 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
Revenues				
Local Sources:				
Real property taxes	\$ 2,899,548	\$ 2,899,548	\$ 2,806,848	\$ (92,700)
Real property tax items	5,000	5,000	185,758	180,758
Charges for services	24,500	24,500	56,591	32,091
Use of money and property	5,000	5,000	30,032	25,032
Sale of property and compensation for loss	1,000	1,000	31,799	30,799
Miscellaneous	75,000	75,000	108,641	33,641
State Sources:				
Basic formula	6,556,192	6,556,192	7,610,387	1,054,195
BOCES	701,846	701,846	633,906	(67,940)
Textbooks	31,184	31,184	22,141	(9,043)
All other aid	1,293,990	1,293,990	16,345	(1,277,645)
Federal Sources:				
Medicaid reimbursement	50,000	50,000	152,119	102,119
Total revenue	11,643,260	11,643,260	11,654,567	11,307
Other Sources				
Operating transfer in	-	-	54,847	54,847
Total revenue and other sources	11,643,260	11,643,260	\$ 11,709,414	\$ 66,154
Appropriated fund equity and reserves	423,054	423,054		
Supplemental appropriations	-	1,295,000		
Total revenue, other sources and appropriated fund equity	\$ 12,066,314	\$ 13,361,314		

See accompanying independent auditor's report.

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 14,379	\$ 15,162	\$ 9,833	\$ -	\$ 5,329
Central administration	170,028	171,262	167,489	-	3,773
Finance	181,718	167,193	133,938	-	33,255
Staff	65,557	35,557	29,137	-	6,420
Central services	881,748	921,806	725,014	739	196,053
Special items	233,600	197,892	178,475	-	19,417
Instructional:					
Instruction, administration and improvement	418,976	406,176	285,337	-	120,839
Teaching - regular school	3,145,132	2,959,302	2,816,263	15,335	127,704
Programs for children with handicapping conditions	1,190,009	1,543,219	1,490,361	-	52,858
Occupational education	89,582	89,582	83,752	-	5,830
Instructional media	610,852	985,286	840,689	-	144,597
Pupil services	440,085	382,871	344,317	-	38,554
Pupil Transportation	639,486	672,686	575,162	-	97,524
Employee Benefits	3,356,812	2,922,570	2,534,635	-	387,935
Debt Service:					
Debt service principal	510,000	510,000	510,000	-	-
Debt service interest	103,350	85,750	137,747	-	(51,997)
Total expenditures	<u>12,051,314</u>	<u>12,066,314</u>	<u>10,862,149</u>	<u>16,074</u>	<u>1,188,091</u>
Other Uses:					
Transfer to other funds	15,000	1,295,000	1,507,099	-	(212,099)
Total other uses	<u>15,000</u>	<u>1,295,000</u>	<u>1,507,099</u>	<u>-</u>	<u>(212,099)</u>
Total expenditures and other uses	<u>\$ 12,066,314</u>	<u>\$ 13,361,314</u>	<u>12,369,248</u>	<u>\$ 16,074</u>	<u>\$ 975,992</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses			<u>\$ (659,834)</u>		

JASPER-TROUPSBURG 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 37

	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ 6,426	\$ 24,991	\$ 18,565
Federal sources	205,574	131,636	(73,938)
Sales	18,000	32,712	14,712
Miscellaneous	38,986	12,500	(26,486)
Surplus food	-	16,436	16,436
Use of money and property	-	38	38
Total revenue	<u>268,986</u>	<u>218,313</u>	<u>(50,673)</u>
Expenditures			
General support	105,420	109,607	(4,187)
Employee benefits	42,415	50,251	(7,836)
Cost of sales	96,297	79,621	16,676
Other expenses	44,100	38,723	5,377
Total expenditures	<u>288,232</u>	<u>278,202</u>	<u>10,030</u>
Excess (deficiency) of revenue over expenditures	<u>(19,246)</u>	<u>(59,889)</u>	<u>(40,643)</u>
Other sources (uses)			
Transfer from general fund	19,246	152,099	132,853
Excess of revenue and other sources over expenditures	<u>\$ -</u>	<u>92,210</u>	<u>\$ 92,210</u>
Fund equity (deficit), beginning of year		<u>(93,845)</u>	
Fund equity (deficit), end of year		<u>\$ (1,635)</u>	

JASPER-TROUPSBURG 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 38

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 12,066,314
Additions:	
Prior year encumbrances	<u>-</u>
Final budget	<u>\$ 12,066,314</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-21 voter-approved expenditure budget	\$ 12,602,751
Maximum allowed (4% of 2020-21 budget)	\$ 504,110

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

Unrestricted fund balance:	
Assigned fund balance	\$ 699,675
Unassigned fund balance	<u>1,124,624</u>
Total unrestricted fund balance	<u>1,824,299</u>
Less:	
Appropriated fund balance	683,601
Encumbrances included in committed and assigned fund balance	<u>16,074</u>
Total adjustments	<u>699,675</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,124,624</u>
Actual percentage	<u>8.9%</u>

* 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.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

Schedule SS3

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Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended (Overexpended) Balance	Methods of financing				Fund Balance (Deficit) June 30, 2020
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total	
Prior year bus	\$ -	\$ -	\$ 326,355	\$ -	\$ 326,355	\$ (326,355)	\$ 280,000	\$ -	\$ 50,000	\$ 330,000	\$ 3,645
2018 Capital Project	3,720,000	3,720,000	1,115,059	1,978,008	3,093,067	626,933	2,750,000	-	908,999	3,658,999	565,932
Total	\$ 3,720,000	\$ 3,720,000	\$ 1,441,414	\$ 1,978,008	\$ 3,419,422	\$ 300,578	\$ 3,030,000	\$ -	\$ 958,999	\$ 3,988,999	569,577
Fund equity as of June 30, 2020											\$ 569,577

JASPER-TROUPSBURG 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

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Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school	N/A	2020	N/A	\$ 48,468	\$ 48,468
Universal Pre-kindergarten	0409-20-7300	2020	\$ 115,966	110,314	110,314
Universal Pre-kindergarten	0409-19-7300	2019	115,966	14,602	14,602
School breakfast programs	N/A	2020	N/A	1,664	1,664
School lunch programs	N/A	2020	N/A	2,417	2,417
BOCES aid - school lunch and breakfast	N/A	2020	N/A	20,910	20,910
				<u>\$ 198,375</u>	<u>\$ 198,375</u>

JASPER-TROUBSBURG CENTRAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule SS4B

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Jasper-Troupsburg 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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 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 **Jasper-Troupsburg 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 \$16,436 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.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule SS4C

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Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
US Department of Education:					
<i>Passed through NYS</i>					
<i>Department of Education:</i>					
Title I	84.010A	0021-20-2905	\$ 563,044	\$ 361,292	\$ 361,292
Title I	84.010A	0021-19-2905	19,449	19,449	19,449
Title I, School Improvement	84.010A	0011-20-2102	150,000	133,610	133,610
Title I, School Improvement	84.010A	0011-19-2102	10,350	10,350	10,350
Title II, Part A	84.367A	0147-20-2905	109,863	57,279	57,279
Title II, Part A	84.367A	0147-19-2905	16,184	16,184	16,184
Title IV	84.424A	0204-20-2905	35,879	36,085	36,085
Title VI - Part B - Rural Schools	84.358B	0006-20-2905	8,400	8,308	8,308
IDEA Part B, Public Law 94-142*	84.027A	0032-20-0866	109,795	109,003	109,003
IDEA Pre-school Public Law 99-457*	84.173A	0033-20-0866	2,182	2,182	2,182
Total U.S. Department of Education			1,025,146	753,742	753,742
US Department of Agriculture:					
<i>Passed through NYS</i>					
<i>Department of Education:</i>					
National School Breakfast Program **	10.553	N/A	N/A	21,220	21,220
COVID-19 National School Breakfast Program - Seamless Summer Option **	10.553	N/A	N/A	14,137	14,137
National School Lunch Program **	10.555	N/A	N/A	73,788	73,788
COVID-19 National School Lunch Program - Seamless Summer Option **	10.555	N/A	N/A	22,491	22,491
<i>Passed through NYS</i>					
<i>Office of General Services:</i>					
National School Lunch Program-Noncash assistance (commodities) **	10.555	N/A	N/A	16,436	16,436
Total U.S. Department of Agriculture				148,072	148,072
Total expenditures and revenue				\$ 901,814	\$ 901,814

* Constitutes a cluster of Federal programs named Special Education Cluster with revenue and expenditures of \$ 111,185
** Constitutes a cluster of Federal programs named Child Nutrition Cluster with revenue and expenditures of \$ 148,072

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule SS5

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Capital Assets	\$	16,688,140
Less:		
Serial bonds		(4,468,999)
Plus:		
Assets less related liabilities in capital project funds		<u>569,577</u>
Net investment in capital assets	\$	<u><u>12,788,718</u></u>

JASPER-TROUPSBURG 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 43

As of the measurement date of July 1,	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 894,762	\$ 767,431	\$ 895,542
Interest	938,181	907,785	798,024
Differences between expected and actual experience	-	99,078	-
Change of benefit terms	(7,377,164)	-	-
Changes in assumptions	2,610,810	(583,869)	(2,611,262)
Benefit payments	(972,796)	(828,693)	(739,704)
Net change in total OPEB liability	(3,906,207)	361,732	(1,657,400)
Total OPEB liability - beginning, as previously stated	25,508,239	25,146,507	9,083,416
Prior period adjustment (Note 5)	-	-	17,720,491
Total OPEB liability - ending	<u>\$ 21,602,032</u>	<u>\$ 25,508,239</u>	<u>\$ 25,146,507</u>
Plan fiduciary net position			
Contributions - employer	\$ 972,796	\$ 828,693	\$ 739,704
Net investment income	-	-	-
Benefit payments	(972,796)	(828,693)	(739,704)
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>\$ 21,602,032</u>	<u>\$ 25,508,239</u>	<u>\$ 25,146,507</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 5,177,898	\$ 4,679,511	\$ 4,482,324
District's net OPEB liability as a percentage of covered-employee payroll	417.20%	545.10%	561.01%

Notes to Schedule:

Benefit Changes: As of the June 30, 2019 measurement date, post-65 retirees must move from the Steuben Area Schools Plan C to the Aetna Medicare Advantage Plan.

Changes in assumptions: Discount rate changes - 3.62% to 3.13% effective July 1, 2019
Mortality rates changed from using MP-2017 scale to using the scale MP-2018.
Health care trend rates from 7.00% - 3.25%, decreased to 3.886% by 2075, in 2018
changed to 6.75% - 4.60%, decreased to 3.784% by 2075, in 2019

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
AS OF JUNE 30, 2018 THROUGH JUNE 30, 2020

Schedule SS7

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For the year ended June 30,	2020	2019	2018
Actuarially determined contributions	\$ 972,796	\$ 828,693	\$ 739,704
Contributions in relation to the actuarially determined contribution	(972,796)	(828,693)	(739,704)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,177,898	\$ 4,679,511	\$ 4,482,324
Contributions as a percentage of District's covered-employee payroll	18.79%	17.71%	16.50%

Notes to Schedule

Measurement 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 July 1, 2019 and 3.62% as of July 1, 2018
Inflation	2.25% per year
Healthcare cost trend rates	2020 - 6.75%-4.60%. Rates expected to decrease each year thereafter with an ultimate rate of 3.784% after 2075.
Salary increases	2.5% per year
Mortality	RP-2014 Total Dataset Mortality Table fully generational using Scale MP-2018
Retiree Cost Sharing	District pays 75% of medical and 100% of Part B but no more than 100% of the medical premium
Participants	87 Active, 70 Retirees and 6 Survivors

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

Schedule SS8

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New York State Teachers' Retirement System

For the year ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 306,171	\$ 383,825	\$ 330,715	\$ 401,724	\$ 456,590	\$ 648,552	\$ 606,006	\$ 447,090
Contributions in relation to the contractually required contribution	(306,171)	(383,825)	(330,715)	(401,724)	(456,590)	(648,552)	(606,006)	(447,090)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,455,655	\$ 3,614,171	\$ 3,374,643	\$ 3,427,679	\$ 3,443,363	\$ 3,699,669	\$ 3,729,268	\$ 3,776,098
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	\$ 158,668	\$ 169,979	\$ 163,383	\$ 172,690	\$ 240,772	\$ 204,436	\$ 273,287	\$ 223,915
Contributions in relation to the contractually required contribution	(158,668)	(169,979)	(163,383)	(172,690)	(240,772)	(204,436)	(273,287)	(223,915)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,108,725	\$ 1,108,958	\$ 1,107,681	\$ 1,101,037	\$ 1,210,997	\$ 1,138,379	\$ 1,355,415	\$ 1,305,488
Contributions as a percentage of District's covered-employee payroll	14.31%	15.33%	14.75%	15.68%	19.88%	17.96%	20.16%	17.15%

See accompanying independent auditor's report.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE
NET PENSION ASSET – NYSTRS AND PROPORTIONATE SHARE OF
NET PENSION LIABILITY - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2020

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	0.021653%	0.020717%	0.021630%	0.022315%	0.024629%	0.025246%	0.025779%
District's proportionate share of the net pension asset/(liability)	n/a	\$ 383,825	\$ 374,626	\$ 164,411	\$ (238,999)	\$ 2,558,208	\$ 2,812,278	\$ 169,692
District's covered-employee payroll	n/a	\$ 3,614,171	\$ 3,374,643	\$ 3,427,679	\$ 3,443,363	\$ 3,699,669	\$ 3,729,268	\$ 3,776,098
District's proportionate share of the net pension asset/(liability) as a percentage of its covered employee payroll	n/a	10.62%	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)	0.0036490%	0.0037224%	0.0038166%	0.0039451%	0.0044687%	0.0045020%	n/a	n/a
District's proportionate share of the net pension (liability)	\$ (966,288)	\$ (263,745)	\$ (123,179)	\$ (370,690)	\$ (749,334)	\$ (152,089)	\$ (203,439)	n/a
District's covered-employee payroll	\$ 1,108,725	\$ 1,108,958	\$ 1,107,681	\$ 1,101,037	\$ 1,210,997	\$ 1,138,379	\$ 1,355,415	n/a
District's proportionate share of the net pension (liability) as a percentage of its covered employee payroll	-87.15%	-23.78%	-11.12%	-33.67%	-61.88%	-13.36%	-15.01%	n/a
Plan fiduciary net position as a percentage of the total pension asset/(liability)	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a	n/a

n/a - information is not available

**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
Jasper-Troupsburg Central School District
Jasper, 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 *Jasper-Troupsburg Central School District* as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise *Jasper-Troupsburg 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 *Jasper-Troupsburg 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 *Jasper-Troupsburg Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Jasper-Troupsburg Central School District* 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified two deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies in the District's internal controls described in the accompanying schedule of findings and questioned costs as items II.A.2020-001 and II.A.2020-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Jasper-Troupsburg 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.2020-003.

Jasper-Troupsburg Central School District's Responses to Findings

Jasper-Troupsburg Central School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. ***Jasper-Troupsburg Central School District's*** responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
Jasper-Troupsburg Central School District
Jasper, New York

Report on Compliance for Each Major Federal Program

We have audited *Jasper-Troupsburg 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 *Jasper-Troupsburg Central School District's* major federal programs for the year ended June 30, 2020. *Jasper-Troupsburg 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 *Jasper-Troupsburg 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 could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about *Jasper-Troupsburg 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 *Jasper-Troupsburg Central School District's* compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of *Jasper-Troupsburg 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 *Jasper-Troupsburg 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. However, as described in the accompanying schedule of findings and questioned costs, we identified one deficiency in internal control over compliance that we consider to be material weakness. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item III.B.2019-004 to be a material weakness.

District's Response to Internal Control over Noncompliance Finding

Jasper-Troupsburg Central School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. *Jasper-Troupsburg Central School District's* response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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**

**JASPER-TROUPSBURG 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> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

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

Internal control over major programs:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </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> X </u> no
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<u>Federal Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Total expenditures of Federal Awards		<u>\$ 901,814</u>
Identification of Major Programs Tested:		
U.S. Department of Education - Title I	84.010A	<u>\$ 514,351</u>
Total major programs tested		<u>\$ 514,351</u>
% of Federal programs tested		<u>57%</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk?	<u> </u> yes	<u> X </u> no
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**JASPER-TROUPSBURG 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

2020-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2020

Condition and Criteria: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to recording retirement accruals, recording BOCES revenue and receivables, and converting to the full accrual method for GASB 34 purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

Cause and Effect: AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency. Without this assistance, the potential risk exists of the District's financial statements not conforming to GAAP.

Auditor's Recommendation: Although auditors may continue to provide such assistance both now and in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

School District's Response: The District has received, reviewed and approved all journal entries, footnote disclosures and draft financial statements proposed for the current year audit and will continue to review similar information in future years. Further, the District believes it has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements.

2020-002 Capital Assets

Year ended June 30, 2020

Condition and Criteria: Under the governmental financial reporting model of GASB No. 34, capital assets of the District are recorded in the government-wide financial statements at historical cost and depreciated over the assets estimated useful life. The District obtained an appraisal of its capital assets for financial statement purposes in the current year; however, the appraisal did not include the historical cost of the most recent capital project or the District's vehicles. These were added to the financial statements during the audit process.

Cause and Effect: Without detailed records of capital assets, the potential risk exists of the capital assets being materially misstated.

Auditor's Recommendation: The District should review and reconcile the appraisal of its capital assets to its internal schedule of capital assets. In addition, annual updates of the appraisal should be performed to account for additions, disposals, and annual depreciation expense. The District should also work with the appraisal company to get the historical values of the capital project and the vehicles added to the appraisal.

School District's Response: The District will look to develop a system whereby capital assets balances are maintained and updated throughout the year.

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

II. FINANCIAL STATEMENTS AUDIT – FINDINGS (continued)

B. COMPLIANCE AND OTHER MATTERS

2020-003 Unassigned Fund Balance

Year ended June 30, 2020

Conditions and criteria: **Jasper-Troupsburg Central School District's** unassigned fund balance as of June 30, 2020 amounted to approximately \$1,124,624. This amount constitutes 8.9% of the 2020-21 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 not greater than 4% of the subsequent year's budget.

Auditor's Recommendation: **Jasper-Troupsburg Central School District's** should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation of fund balance.

District's Response: As a result of the audit, **Jasper-Troupsburg Central School District** realizes its unassigned fund balance as of June 30, 2020 is in excess of the NYS mandated 4% level. The District will review its options with regards to reservation and designation of fund balance.

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

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

A. COMPLIANCE

Year ended June 30, 2020

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

B. INTERNAL CONTROL OVER COMPLIANCE

2020-004 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2020

Same finding as that reported in II.A2020-001 on page 52.

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2019-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2019

Summary of Prior Year Finding: Adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2020 as finding 2020-001.

2019-002 Capital Assets

Year ended June 30, 2019

Summary of Prior Year Finding: Under the governmental financial reporting model of GASB No. 34, capital assets of the District are to be reported in the government-wide financial statements at historical cost. The District presently does not maintain a schedule of capital assets acquisition, historical cost, depreciation, or disposal. Without detailed records of capital assets, the District has been required to report capital assets based upon updates of amounts reported in previous year's financial statements. In the prior year, the District received a new appraisal of its fixed assets; however, this report did not include the cost of a capital project or the District's vehicles.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2020 as finding 2020-002.

2019-003 Reconciliation of General Ledger and Recording of Transactions

Year ended June 30, 2019

Summary of Prior Year Finding: During the year ended June 30, 2019, bank reconciliations were not prepared and reconciled to the District's general ledger throughout the year. In addition, the District carries interfund receivable and payable balances, however, amounts did not reconcile throughout the year and required to be corrected after year-end. Lastly, certain cash receipts and wire transfers were not recorded at the time the transactions occurred, requiring transactions to be entered within the accounting system after year-end.

Current Status: This finding is not being reported upon during the year ended June 30, 2020 as circumstances outlined above did not exist in the current year.

B. COMPLIANCE AND OTHER MATTERS

2019-004 Unassigned Fund Balance

Year Ended June 30, 2019

Summary of Prior Year Finding: **Jasper-Troupsburg Central School District's** unassigned fund balance as of June 30, 2019 amounted to approximately \$1,859,000. This amount constitutes approximately 15.4% 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 finding 2020-003.

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

2019-005 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2019

Summary of Prior Year Finding: Adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2020 as finding 2020-001.

2019-006 Reconciliation of General Ledger and Recording of Transactions

Year ended June 30, 2019

Summary of Prior Year Finding: During the year ended June 30, 2019, bank reconciliations were not prepared and reconciled to the District's general ledger throughout the year. In addition, the District carries interfund receivable and payable balances, however, amounts did not reconcile throughout the year and required to be corrected after year-end. Lastly, certain cash receipts and wire transfers were not recorded at the time the transactions occurred, requiring transactions to be entered within the accounting system after year-end.

Current Status: This finding is not being reported upon during the year ended June 30, 2020 as circumstances outlined above did not exist in the current year.



**To the President and Members of the
Board of Education
and School Administration
Jasper-Troupsburg Central School District
Jasper, 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 *Jasper-Troupsburg 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. *Jasper-Troupsburg Central School District* has provided responses to the additional comments, however, we did not audit these responses and, accordingly, we express no opinion on them.

The analysis of the use of the District's fund equity shows that the District maintains a number of reserves. The reserves presented here are only those that are reported in the General Fund. The uses and legal restrictions of each of these reserve categories are listed in the footnotes to the financial statements. These reserves reduce the amount of the District's unassigned fund equity.

We have reviewed the financial statements extensively with the Audit Committee, School Superintendent, and the Business Manager. We believe these individuals have a good understanding of the financial condition of the District as well as the comments expressed in our annual report. We have enjoyed working with the District this year, and wish to thank all of the staff who have assisted us during our audit.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

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

JASPER-TROUPSBURG 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
Revenue and other sources					
Property taxes	\$ 2,993	\$ 2,976	\$ 2,970	\$ 2,956	\$ 2,757
State aid	8,283	8,345	8,302	8,425	7,868
All other	434	530	396	249	283
	<u>11,710</u>	<u>11,851</u>	<u>11,668</u>	<u>11,630</u>	<u>10,908</u>
Expenditures and other uses					
General support	1,244	1,388	1,353	1,201	1,127
Instruction	5,861	5,447	5,382	5,143	4,901
Transportation	575	515	655	866	526
Benefits	2,535	2,748	2,832	2,778	2,569
Debt	648	588	589	914	926
Transfers	1,507	-	610	60	10
	<u>12,370</u>	<u>10,686</u>	<u>11,421</u>	<u>10,962</u>	<u>10,059</u>
Excess (deficiency) of revenue over expenditures	(660)	1,165	247	668	849
Fund equity					
Beginning of year	4,620	3,455	3,208	2,540	1,691
End of year	<u>\$ 3,960</u>	<u>\$ 4,620</u>	<u>\$ 3,455</u>	<u>\$ 3,208</u>	<u>\$ 2,540</u>
Analysis of fund equity					
Restricted					
Reserve for repairs	\$ 285	\$ 303	\$ 301	\$ 300	\$ -
Reserve for retirement system - TRS Subfund	60	60	-	-	-
Reserve for retirement system - ERS	276	276	225	225	100
Reserve for employee benefits	159	91	90	90	90
Reserve for tax certiorari	-	-	15	15	15
Reserve for unemployment insurance	133	147	146	146	145
Reserve for workers' compensation	176	175	175	175	50
Capital reserve	1,047	1,301	1,178	1,052	352
Assigned					
Reserve for encumbrances	16	-	28	219	-
Next year's budget	684	408	407	476	524
Unassigned	1,124	1,859	890	510	1,264
	<u>\$ 3,960</u>	<u>\$ 4,620</u>	<u>\$ 3,455</u>	<u>\$ 3,208</u>	<u>\$ 2,540</u>

JASPER-TROUPSBURG 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 become aware of the new GASB 84 and GASB 87 requirements and will seek opportunities to continue education, including attending future webinars and any other additional training.

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 \$483,000 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.

Food Service Program

During the Pandemic school districts had the option to participate in the Seamless Summer Option or the Summer Food Service Program to continue to provide meals to children while minimizing potential exposure to COVID-19. We recommend that District continue to review guidance and reporting requirements with respect to these programs in the event that school closures occur in the future and consider which program would be more beneficial to meet the needs of the District.

District response: The district has reviewed all available documentation and attended numerous webinars on proper accounting procedures for the federal CARES Act funding. The district will continue to review any new guidance issued and participate in all available trainings. Network access is disabled for all departing employees as part of the exit process. The district will continue to review the access rights of active users on a regular basis and will look into performing a penetration test of our network.

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

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Federal Programs

Allocation of Time

The District allocates time to the Federal grants from various personnel. Certifications of time spent are signed by the personnel with time allocated and reviewed by the building Principal throughout the year. We recommend that those certifications of time spent are provided to the Business manager, who completes grant reporting, and to the Superintendent, who certifies the grant, periodically throughout the year or at least annually prior to the filing of the final expenditure reports. If changes are made to teachers or students schedules that affect the original Federal grant salary allocation, those changes should be provided to the Business Manager and Superintendent where made to ensure that appropriate modifications are made to the grant reporting.

Compliance Documentation

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.

Reimbursements (FS-25s)

During the audit, we noted that reimbursements for the District's Federal program are not being filed routinely with the New York State throughout the grants fiscal year. Although claims for reimbursement are not required by New York State to be submitted throughout the year, by not doing so, the District's general fund is subsidizing Federal programs expenditures for part of the fiscal year. We recommend the District develop a process for submitting for reimbursements on a monthly, quarterly, or semi-annual basis.

District response: The District will complete certifications of time spent to the federal grants and provide them to the Business Office and Superintendent. Any changes to the allocations will be provided to the Business Manager and Superintendent to make sure timely and accurate reporting is completed.

Agency Fund and Liability Accounts

The Agency Fund holds funds in which the District acts as a trustee or agent in a fiduciary manner. These funds are often held in the agency fund and later applied against a bill paid by the District, such as health insurance collected from its retirees. We recommend that the District perform reconciliations of each agency account on a regular basis and substantiate balances maintained in this Fund.

Currently, the District maintains a bank account that houses a flexible benefits plan through a third-party administrator. We recommend that the balance of this bank account and corresponding general ledger account be reconciled with balances from its third-party administrator on a monthly basis. At the end of each plan year, the District should determine the amount that was not utilized by plan participants and transfer the balance to the general fund.

Lastly, the District recorded approximately \$40,000 of accrued liabilities related to various deposits, including fees and donations. Although it may make economic sense to reserve these funds to offset future expenses, government accounting standards and accounting under New York State Education Department Guidelines do not provide a mechanism to do so. We recommend that the District budget for such revenue sources annually in the general fund, along with associated expenditures.

District's response: The District understands the importance of maintaining good records within the agency fund. The Superintendent will work with the Business Official to create a system that will meet the intent of the recommendation. We would also be open to suggestions from the Auditors regarding particular ways to accomplish this task.

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

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Debt Payments

During the year the District paid off the balance of a \$2,750,000 Bond Anticipation Note through the issuance of a \$1,455,000 serial bond with the remaining \$1,295,000 paid out of the General Fund. The amount paid from the General Fund was neither budgeted nor formally approved with a resolution by the Board of Education. It is our understanding based on discussions with Management, that information on the transaction and its impact on cash balances, fund balance, etc. was presented and discussed during a Board meeting but not formally acted upon through a Board resolution. We recommend that future transactions be formally approved by the Board to memorialize approval. A retroactive resolution was made by the Board of Education on October 7, 2020, acknowledging their approval.

District response: While the District didn't formally adopt a resolution to authorize the payments, it was discussed at several board meetings and the budget work sessions. This District will subsequently adopt a resolution.

Repair Reserve

On December 11, 2019 the Board of Education approved the use of up to \$22,000 of the repair reserve to repair the school gymnasium sound system without a public hearing. Expenditures in non-emergency situations require a public hearing, following publication of notice in the official newspaper, at least five days in advance of the public hearing. In emergency situations, expenditures from the fund may be authorized without public hearings by a two-thirds vote of the Board. One half of the amount expended must be returned during the next fiscal year, with the remainder returned within the second fiscal year.

District's response: While the District didn't formally hold a hearing to expend from the repair reserve, it was discussed at a public meeting and a resolution was approved.

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT

**EXTRACLASSROOM ACTIVITY FUND
FINANCIAL STATEMENT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the **Jasper-Troupsburg 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.

Basis for Qualified Opinion

The records of the Extraclassroom funds of the **Jasper-Troupsburg Central School District** were not adequate to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

Qualified Opinion

In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the basis for qualified opinion paragraph, the financial statement referred to above presents fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of the **Jasper-Troupsburg 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**

JASPER-TROUPSBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS-CASH BASIS
JULY 1, 2019 THROUGH JUNE 30, 2020

	Balances July 1, 2019	Total Receipts 2019-20	Total Receipts & Balances	Total Payments 2019-20	Balances June 30, 2020
Band Fund	\$ 6,200	\$ -	\$ 6,200	\$ 100	\$ 6,100
Cheerleaders	307	-	307	307	-
Chorus Fund	2,089	-	2,089	391	1,698
Class of 2017	90	-	90	90	-
Class of 2018	564	-	564	564	-
Class of 2019	2,023	-	2,023	2,023	-
Class of 2020	5,649	14,160	19,809	13,206	6,603
Class of 2021	5,516	951	6,467	1,420	5,047
Class of 2022	5,940	760	6,700	458	6,242
Class of 2023	1,465	670	2,135	434	1,701
Class of 2024	1,125	1,664	2,789	1,072	1,717
Class of 2025	-	902	902	588	314
Drama Club	2,828	6,467	9,295	6,657	2,638
F.F.A.	3,695	27,538	31,233	21,299	9,934
Honor Society	18	-	18	-	18
Library Council	2,082	2,806	4,888	2,120	2,768
Sales Tax Account	730	768	1,498	983	515
Show Choir	2,525	-	2,525	418	2,107
6th Grade Student Council	10,110	717	10,827	2,624	8,203
Ski Club	2	-	2	-	2
Student Council	7,320	3,528	10,848	3,747	7,101
Student Council 2	792	1,615	2,407	704	1,703
Year Book Fund	2,220	21,772	23,992	9,648	14,344
Prom Fund	2,195	1,648	3,843	1,500	2,343
Total activity fund	\$ 65,485	\$ 85,966	\$ 151,451	\$ 70,353	\$ 81,098

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

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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 **Jasper-Troupsburg Central School District**. Consequently, such transactions are not included in the financial statements of the School District. However, cash balances of \$81,098 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 **Jasper-Troupsburg 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
and School Administration
Jasper-Troupsburg Central School District
Jasper, 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 **Jasper-Troupsburg 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 **Jasper-Troupsburg 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 **Jasper-Troupsburg Central School District's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Jasper-Troupsburg Central School District's** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiency in internal control to be a material weakness:

Point of Sale Records

We noted certain instances where the receipt of cash lacked point of sale records. Each cash receipt received by the central treasurer should be accompanied by supporting documentation which reconciles cash received to participation times rates/fees. Due to the lack of point of sale records, cash receipts are not adequate to permit the application of the necessary auditing procedures to indicate whether receipts were recorded. We recommend that point of sale records be filled out in detail or an appropriate summary be attached by the student treasurer or teacher advisor and be verified or reviewed by the central treasurer.

District's response: The District continues to work with the Advisors for completion of forms and providing accurate data required. Advisors are met with at least once annually to review forms.

Additional comments for the extraclassroom fund of Jasper-Troupsburg Central School District are listed below:

Inactive Activity Funds

During the audit of the extraclassroom activity fund, we noticed certain activities (Honor Society and Ski Club) had very little or no activity during the current fiscal year and seem to be inactive accounts. We recommend that the District review the status of these clubs and those activities which are determined to be inactive should be closed out and transferred to the Trust and Agency Fund, General Fund or to another Activity Fund. The District may wish to develop a policy which dictates the course of action when activity funds remain inactive for a period of time, such as being transferred to the student council fund.

District's response: The District will take appropriate action to close the inactive accounts.

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 response: The district will discuss a policy which can be used in the future for times when it's impossible for funds raised to be used for the intended purpose.

This communication is intended solely for the information and use of management, Board of Education, and others within ***Jasper-Troupsburg 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
Jasper-Troupsburg Central School District
Jasper, New York

We have audited the financial statements of Jasper-Troupsburg 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 and Uniform Guidance, 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 Jasper-Troupsburg 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.

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 changes in the district's net OPEB liability and related ratios, schedule of contributions OPEB, 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 Jasper-Troupsburg 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.