ALFRED-ALMOND CENTRAL SCHOOL DISTRICT

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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2021 REPORTING PACKAGE

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ALFRED-ALMOND CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT

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BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
Certified Public Accountants ▲ Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the President and Members of
The Board of Education
Alfred-Almond Central School District
Almond, New York

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and aggregate remaining fund information of the ***Alfred-Almond Central School District*** as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

Alfred-Almond Central School District has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities (GASB 84). As a result of the implementation of GASB 84, the District reported a restatement of the governmental activities and governmental funds beginning fund balance for the change in accounting principle, as described in Note 1 and 6 to the financial statements. Our opinion is not modified with respect to the restatement.

Report on Summarized Comparative Information

We have previously audited the ***Alfred-Almond Central School District's*** June 30, 2020 financial statements, and our report dated October 6, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Member of American Institute of Certified Public Accountants
Private Companies Practice Section

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 35 through 36), schedule of changes in the District's net OPEB liability and related ratios (page 42), schedule of District contributions – OPEB (page 43), the schedule of the District's contributions for defined benefit pension plans (page 46), and schedule of the District's share of the net pension asset/liability (page 45), 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 ***Alfred-Almond 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 combining and individual fund financial statements 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 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 5, 2021 on our consideration of ***Alfred-Almond Central School District's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ***Alfred-Almond Central School District's*** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
October 5, 2021

I. Discussion and Analysis

The following is a discussion and analysis of the ***Alfred-Almond Central School District's*** financial performance for the year ended June 30, 2021. 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 ***Alfred-Almond Central School District*** during the fiscal year ended June 30, 2021:

- Overall net position from operations of the District increased during the current year in the amount of $512,000 as compared to an increase of $241,000 during the prior fiscal year.

- The District's total revenue increased 1% from $14,545,000 during the year ended June 30, 2020 to $14,733,000 during the year ended June 30, 2021. This increase was primarily the result of increases in property taxes and BOCES aid, which was partially offset by NYS foundation aid.

- The District's total expenses decreased 1% from $14,304,000 during the year ended June 30, 2020 to $14,221,000 during the year ended June 30, 2021. This decrease was primarily due to an increase in Teachers' Retirement System which was partially offset by a decrease in Employees' Retirement System pension expense resulting from actuarial updates. In addition, the District had an increase in maintenance contractual costs which were partially offset by a decrease in salaries.

- The District's had capital outlays during the current year in the amount of approximately $3,094,000, which primarily related to costs associated with the District's capital outlay projects, capital projects, and the acquisition of buses and other equipment.

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 ***Alfred-Almond 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.

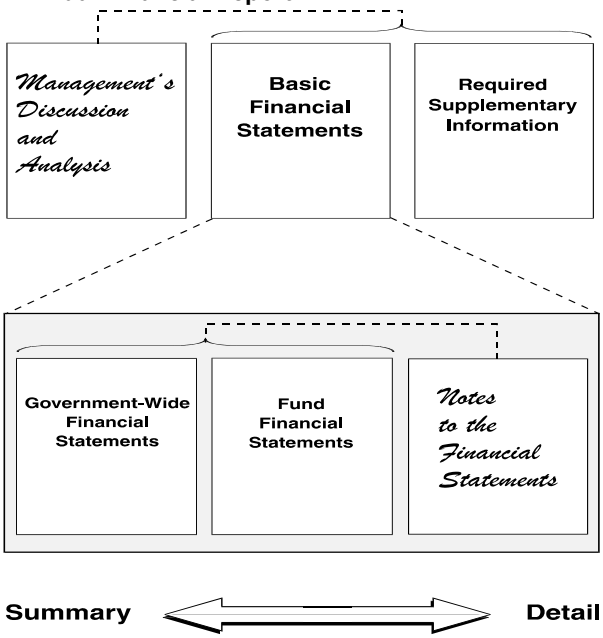
2. Fiduciary Funds

   As discussed in Note 1, the District implemented GASB 84, fiduciary activities and as a result do not have activities that qualify for reporting as a fiduciary under this new standard.

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	Funds used to account for resources held for the benefit of parties outside the District
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

Net Position

The District's total reporting entity net position was approximately $11,914,000. The components of net assets include: net investment in capital assets, of $10,457,000; restricted net position of $4,578,000; and unrestricted net position deficit of $3,121,000 as of June 30, 2021.

Changes in Net Position

The District's total government-wide revenue increased by approximately 1% to $14,733,000. Approximately 35%, 5% and 57% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 3% comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

The total cost of all programs and services of the District decreased 1% to $14,221,000. The District's expenses cover a range of services, with 67% related to instruction and 23% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

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

Governmental Activities

Revenue of the District's governmental activities increased approximately 1%, while total expenses decreased 1%. The District's total net assets increased from operations of approximately $512,000 during the fiscal year ended June 30, 2021.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled $14,733,000 for the fiscal year ended June 30, 2021. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 35% of the District's total revenue for governmental activities, increased 2% in comparison with the prior year as a result of an increase in the tax levy.

- The District's most significant revenue is state sources which represent $8,282,000 or 57% of total governmental revenue. The District's state sources increased by approximately 0% which was primarily the result of an increase in BOCES aid which was partially offset by a decrease in NYS foundation aid.

- During the year ended June 30, 2021, the District saw a decrease in program revenue in the amount of $104,000 which mostly resulted from a decrease in operating grants and contributions of $16,000 and charges for services which decreased $88,000 as compared with the prior year revenue. During the Pandemic the District participated in the Summer Food Program where all meals served were reimbursed by the Federal government, resulting in higher Federal reimbursement and less charges for meals.

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

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were $14,221,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support increased by approximately $44,000 or 1% which was primarily due to an increase in maintenance contractual costs which were partially offset by a decrease in salaries expenses.
- The District's instruction costs decreased by approximately $289,000 or 3% which was primarily due to a decrease in salaries and materials and supplies which was partially offset by an increase in employee benefits.
- Debt service of the District increased approximately $25,000 during the year ended June 30, 2021 resulting from a increase in interest expense.
- Transportation costs of the District increased 16% or $135,000 during the year ended June 30, 2021 as a result of an increase in salaries and benefits, along with equipment purchases.
- The District's cost of sales (food service fund) totaled $297,000 during the current year as compared to $295,000 during the fiscal year ended June 30, 2020.
- The District received approximately $861,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs ($ 13.4 million) were financed by real property taxes and state aid.

Figure A-3 – Condensed Statement of Net Assets

Alfred-Almond Central School District
Condensed Statement of Net Position (in thousands of dollars)

	Governmental Activities and Total District-wide		
	2021	2020	% Change
Assets			
Current and other assets	$ 9,765	$ 7,683	27%
Capital assets	19,463	17,420	12%
Total assets	29,228	25,104	16%
Deferred Outflows of Resources			
Deferred outflows related to pension, OPEB, and bonds	4,019	3,239	24%
Deferred outflows of resources and assets	**$ 33,247**	**$ 28,342**	**17%**
Liabilities			
Other liabilities	$ 5,525	$ 1,256	340%
Long-term liabilities	13,171	13,793	-5%
Total liabilities	18,696	15,049	24%
Deferred Inflows of Resources			
Deferred inflows related to pension and OPEB	2,637	1,963	34%
Deferred inflows of resources and liabilities	21,333	17,012	25%
Net Position			
Net investment in capital assets	10,457	10,127	3%
Restricted	4,578	3,592	27%
Unrestricted	(3,121)	(2,389)	31%
Total net position	11,914	11,330	5%
Total liabilities, deferred inflows of resources, and net position	**$ 33,247**	**$ 28,342**	**17%**

Figure A-4 – Changes in Net Position

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

	Governmental Activities and Total District-wide		
	2021	2020	% Change
Revenue			
Program revenue			
Charges for services	$ 136	$ 224	-40%
Operating grants and contributions	725	741	-2%
General revenue			
Real property taxes	5,178	5,082	2%
Use of money & property	4	8	-50%
Sale of property & comp for loss	17	3	492%
State sources	8,282	8,288	0%
Federal sources	28	37	-23%
Miscellaneous	363	162	124%
Total revenue	14,733	14,545	1%
Expenses			
General support	3,230	3,186	1%
Instruction	9,517	9,806	-3%
Transportation	967	832	16%
Community services	1	1	100%
Debt service - interest	209	184	14%
Cost of sales	297	295	1%
Total expenses	14,221	14,304	-1%
Change in net position	**$ 512**	**$ 241**	

Figure A-5 – Sources of Revenue

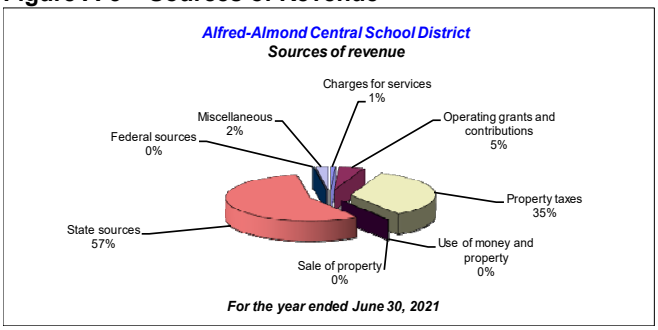


Figure A-6 - Expenses

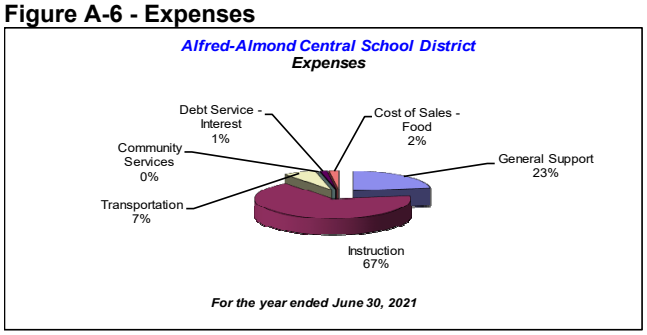


Figure A-7 – Expenditures Supported with Program Revenue

Alfred-Almond Central School District
Expenditures supported with program revenue (in thousands of dollars)

	Governmental Activities & Total District			
	2021		2020	
Expenditures supported with general revenue (from taxes & other sources)	$ 13,360	94%	$ 13,339	93%
Expenditures supported with program revenue	861	6%	965	7%
Total expenditures related to governmental activities	**$ 14,221**	**100%**	**$ 14,304**	**100%**

Figure A-8 – Net Cost of Governmental Activities

Alfred-Almond Central School District
Net Cost of Governmental Activities (in thousands of dollars)

	Total cost of services			Net cost of services		
	2021	2020	Change	2021	2020	Change
General support	$ 3,230	$ 3,186	$ 44	$ 3,230	$ 3,186	$ 45
Instruction	9,517	9,806	(289)	8,990	9,191	(201)
Transportation	967	832	135	967	825	142
Community Services	1	1	-	1	1	-
Debt service - interest	209	184	25	209	184	25
Cost of sales - food	297	295	2	(37)	(48)	11
Total	**$ 14,221**	**$ 14,304**	**$ (83)**	**$ 13,360**	**$ 13,339**	**$ 21**

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

V. Financial Analysis of the School District's Funds

presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund revenue and other sources exceeded its expenditures and other uses by approximately $842,000.
- The District's general fund unassigned fund balance equaled approximately $1,423,000 as of June 30, 2021.
- The District maintained many fund balance reserves during the year ended June 30, 2021, and had a total restricted fund balance of approximately $4,005,000.
- The District's total assets increased approximately $998,000 as of June 30, 2021 related to an increase in cash. The District's liabilities decreased approximately $94,000, primarily from a decrease in accounts payable.
- Total revenue in the District's general fund increased $256,000, which was primarily related to increases in property taxes and BOCES aid, which was partially offset by a decrease in NYS foundation aid.
- Total expenditures in the District's general fund decreased $377,000 primarily as a result of a decrease in transfers to the capital project fund, salaries and material and supplies.

Food Service Fund

- The District's food service fund experienced a $37,000 increase in fund equity in the current year.
- Revenue and expenditures in the food service fund were $334,000 and $297,000 , respectively, during 2021 as compared with $345,000 and $295,000 in 2020. During the Pandemic, the District participated in the Summer Food Program resulting in higher Federal reimbursement.

Special Aid Fund

- The District's special aid fund revenue and expenditures decreased approximately $68,000 or 13% which was primarily related to a decrease summer school handicapped funding.

Capital Projects Fund

- The District had expenditures and other uses in the amount of $3,133,000 in capital projects during the year ended June 30, 2021, which was primarily related to costs associated with the District's $4.5 million capital project, a capital outlay project, smart bond project, and the purchase of school buses.

VI. General Fund Budgetary Highlight

Over the course of the year, the District makes many budget transfers. Actual expenditures were approximately $1,256,000 below the revised budget. The most significant variances were in the areas of instruction and employee benefits which were $521,000 and $425,000, respectively, below that budgeted. On the other hand, resources available for appropriations were approximately $222,000 above the final budgeted amount. The significant variances in revenue items consisted of a favorable variance in local sources in the amount of $267,000.

Figure A-9 – Budget vs. Actual Comparison

Alfred-Almond Central School District
General Fund - Budget vs Actual Comparison (in thousands of dollars)

	Revised Budget	Actual	Difference
Revenue			
Local sources	$ 5,343	$ 5,610	$ 267
State sources	8,365	8,282	(83)
Federal sources	22	28	6
Other sources	-	32	32
Total revenue	**$ 13,730**	**$ 13,952**	**$ 222**
Expenditures			
General support	$ 2,707	$ 2,575	$ 132
Instruction	6,261	5,738	521
Transportation	633	557	76
Community services	1	1	0
Employee benefits	3,084	2,659	425
Debt service	1,553	1,453	101
Operating transfers	129	129	-
Total expenditures	**$ 14,368**	**$ 13,112**	**$ 1,256**

VII. Capital Assets and Debt Administration

Capital Assets

As depicted in Figure A-10, as of June 30, 2021, the District had invested approximately $19,463,000 in a broad range of capital assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2021, totaled approximately $3,094,000 and consisted primarily of costs associated with the District's $4.5 million capital project, a capital outlay project and the acquisition of buses. More detailed information about the District's capital assets is presented in the notes of the financial statements.

VII. Capital Assets and Debt Administration (continued)

Long-term Debt

As depicted in Figure A-11, as of June 30, 2021, the District had approximately $13,170,000 in bonds, compensated absences, net pension liability and other post-employment benefits, a decrease of approximately 5% as compared with the previous year. The decrease in bonds payable was the result of the District making regularly scheduled principal payments. During the current year, the District's other post-employment benefits increased as a result of an actuarial update. Lastly, the net pension liability related to the ERS pension system decreased, whereas the TRS system reported a net pension asset in the prior year and net pension liability in the current year.

Figure A-10 – Capital Assets

Alfred-Almond Central School District
Capital Assets (net of depreciation)

	Governmental Activities & Total District-wide		
	2021	2020	Change
Land	$ 2,322	$ 2,322	0%
Buildings	28,412,967	28,312,967	0%
Construction in progress	3,058,560	302,997	n/a
Equipment	3,991,904	4,072,240	-2%
Accumulated depreciation	(16,002,428)	(15,270,346)	5%
Total Capital Assets, net	**$ 19,463,325**	**$ 17,420,180**	**12%**

Figure A-11 – Outstanding Long-term Debt

Alfred-Almond Central School District
Outstanding Long-Term Debt and Liabilities

	Governmental Activities & Total District-wide		
	2021	2020	Change
Bonds payable	$ 6,522,828	$ 7,578,455	-14%
Net pension liabilities	772,833	756,848	2%
Other post-employment benefits	5,834,112	5,408,920	8%
Compensated absences	40,625	49,000	-17%
Total Long-Term Debt	**$ 13,170,398**	**$ 13,793,223**	**-5%**

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 ongoing impact in the upcoming years as a result of the Covid-19 Pandemic.

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:

Alfred-Almond Central School District
Attention: Ms. Tracie Bliven, Superintendent
6795 Route 21
Almond, New York 14804

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT

Schedule 1

STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	2021	2020
Assets		
Cash		
Unrestricted	$ 2,141,105	$ 2,202,138
Restricted	4,577,657	3,591,649
Receivables		
State and federal aid	348,841	296,921
Other receivables	3,893	145,990
Due from other governments	657,588	546,813
Inventories	14,100	12,403
Net pension asset - NYS Teachers' Retirement System	-	711,596
Cash to be used for capital assets	2,021,371	176,002
Capital assets, net	19,463,325	17,420,180
Total assets	29,227,880	25,103,692
Deferred Outflows of Resources		
Deferred outflows related to pensions	3,386,562	2,864,722
Deferred outflows related to bonds	28,480	41,994
Deferred outflows related to OPEB	604,448	331,912
Total assets and deferred outflows of resources	$ 33,247,370	$ 28,342,320
Liabilities		
Current liabilities		
Accounts payable	$ 745,871	$ 286,943
Accrued liabilities	99,006	434,307
Accrued interest	64,000	26,000
Due to other governments	46,362	9,060
Due to fiduciary funds	-	6,390
Due to retirement systems	522,425	485,026
Unearned revenue	47,736	8,158
Bond anticipation notes payable	4,000,000	-
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	981,000	1,167,592
Portion due or payable after one year		
Bonds payable	5,541,828	6,410,863
Net pension liability - NYS Employees' Retirement System	3,136	756,848
Net pension liability - NYS Teachers' Retirement System	769,697	-
Retirees' health insurance payable		
Other post-employment benefits	5,834,112	5,408,920
Compensated absences	40,625	49,000
Total liabilities	18,695,798	15,049,107
Deferred Inflows of Resources		
Deferred inflows related to pensions	1,354,778	1,009,762
Deferred inflows related to OPEB	1,282,345	953,398
Total liabilities and deferred inflows of resources	21,332,921	17,012,267
Net Position		
Net investment in capital assets	10,456,936	10,127,124
Restricted	4,577,657	3,591,649
Unrestricted (deficit)	(3,120,144)	(2,388,720)
Total net position	11,914,449	11,330,053
Total liabilities, deferred inflows of resources, and net position	$ 33,247,370	$ 28,342,320

	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants	2021 Net (Expense) Revenue and Changes in Net Position	2020 Net (Expense) Revenue and Changes in Net Position
Functions/Programs						
General support	$ 2,977,657	$ 252,204	$ -	$ -	$ (3,229,861)	$ (3,186,351)
Instruction	8,914,348	602,561	84,114	442,560	(8,990,235)	(9,190,883)
Pupil transportation	770,442	196,104	-	-	(966,546)	(824,779)
Community services	1,000	-	-	-	(1,000)	(1,000)
Debt service	209,464	-	-	-	(209,464)	(184,091)
Food service program	296,778	-	51,397	282,742	37,361	48,363
Depreciation	1,050,869	(1,050,869)	-	-	-	-
Total functions and programs	$ 14,220,558	$ -	$ 135,511	$ 725,302	(13,359,745)	(13,338,741)
General Revenues						
Real property taxes					5,178,373	5,081,672
Use of money and property					3,993	8,023
Sale of property and compensation for loss					16,426	2,946
Miscellaneous					362,746	161,615
State sources					8,282,150	8,289,008
Federal sources					28,147	36,616
Total general revenues					13,871,835	13,579,880
Change in net position					512,090	241,139
Net position - beginning of year					11,330,053	11,088,914
Prior period adjustment					72,306	-
Net position - end of year					$ 11,914,449	$ 11,330,053

COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	Governmental Funds							
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	2021 (Memo only) Total	2020 (Memo only) Total
Assets								
Unrestricted cash	$ 2,150,385	$ 10,830	$ 14,220	$ -	$ -	$ -	$ 2,175,435	$ 2,202,138
Restricted cash	4,004,890	-	-	528,424	2,021,371	10,013	6,564,698	3,767,651
Due from other funds	190,491	-	97,598	34,330	205,160	-	527,579	410,216
State and federal aid receivable	116,709	179,721	52,411	-	-	-	348,841	296,921
Other receivables	3,312	-	581	-	-	-	3,893	145,990
Due from other governments	657,588	-	-	-	-	-	657,588	546,813
Inventories	-	-	14,100	-	-	-	14,100	12,403
Total assets	$ 7,123,375	$ 190,551	$ 178,910	$ 562,754	$ 2,226,531	$ 10,013	$ 10,292,134	$ 7,382,132
Liabilities and Fund Equity								
Liabilities								
Accounts payable	$ 101,460	$ 60	$ 886	$ -	$ 643,465	$ -	$ 745,871	$ 286,943
Accrued liabilities	99,006	-	-	-	-	-	99,006	90,309
Bond anticipation notes payable	-	-	-	-	4,000,000		4,000,000	-
Due to other funds	270,461	190,491	-	-	66,627	-	527,579	416,606
Unearned revenue	40,785	-	6,951	-	-	-	47,736	8,158
Due to other governments	46,352	-	10	-	-		46,362	9,060
Due to Teachers' Retirement System	479,044	-	-	-	-	-	479,044	445,910
Due to Employees' Retirement System	43,381	-	-	-	-	-	43,381	39,116
Total liabilities	1,080,489	190,551	7,847	-	4,710,092	-	5,988,979	1,296,102
Fund Equity								
Nonspendable	-	-	14,100	-	-	-	14,100	12,403
Restricted	4,004,890	-	-	562,754	-	10,013	4,577,657	3,591,649
Committed	62,493	-	-	-	-	-	62,493	-
Assigned	552,395	-	156,963	-	-	-	709,358	1,045,086
Unassigned (deficit)	1,423,108	-	-	-	(2,483,561)	-	(1,060,453)	1,436,892
Total fund equity (deficit)	6,042,886	-	171,063	562,754	(2,483,561)	10,013	4,303,155	6,086,030
Total liabilities and fund equity	$ 7,123,375	$ 190,551	$ 178,910	$ 562,754	$ 2,226,531	$ 10,013	$ 10,292,134	$ 7,382,132

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT

Schedule 4

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Funds							
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	2021 (Memo only) Total	2020 (Memo only) Total
Revenue								
Real property taxes	$ 5,178,373	$ -	$ -	$ -	$ -	$ -	$ 5,178,373	$ 5,081,672
Charges for services	84,114	-	-	-	-	-	84,114	122,067
Use of money and property	3,185	-	19	808	-	-	4,012	8,046
Sale of property compensation for loss	16,426	-	-	-	-	-	16,426	2,946
Miscellaneous	329,226	-	45,114	33,520	-	-	407,860	205,655
State sources	8,282,150	71,088	9,277	-	-	-	8,362,515	8,404,499
Federal sources	28,147	371,472	263,666	-	-	-	663,285	645,121
Surplus food	-	-	9,799	-	-	-	9,799	16,998
Sales (school food service)	-	-	6,264	-	-	-	6,264	58,197
Total revenue	13,921,621	442,560	334,139	34,328	-	-	14,732,648	14,545,201
Expenditures								
General support	2,574,787	-	83,139	-	-	-	2,657,926	2,663,939
Instruction	5,739,157	413,860	-	-	-	-	6,153,017	6,488,289
Pupil transportation	556,980	-	-	-	238,451	-	795,431	574,573
Community services	1,000	-	-	-	-	-	1,000	1,000
Employee benefits	2,658,788	32,788	25,986	-	-	-	2,717,562	2,695,123
Debt service								
Principal	1,167,592	-	-	-	-	-	1,167,592	1,153,763
Interest	284,985	-	-	-	-	-	284,985	319,215
Capital outlay	-	-	-	-	2,861,663	-	2,861,663	541,694
Cost of sales	-	-	81,420	-	-	-	81,420	119,400
Other expenses	-	-	106,233	-	-	-	106,233	67,997
Total expenditures	12,983,289	446,648	296,778	-	3,100,114	-	16,826,829	14,624,993
Excess (deficiency) of revenue over expenditures	938,332	(4,088)	37,361	34,328	(3,100,114)	-	(2,094,181)	(79,792)
Other sources and uses								
Issuance of serial bonds	-	-	-	-	239,000	-	239,000	100,592
Operating transfers in	32,297	4,088	9	549	125,000	-	161,943	317,086
Operating transfers out	(129,097)	-	-	-	(32,846)	-	(161,943)	(317,086)
Total other sources (uses)	(96,800)	4,088	9	549	331,154	-	239,000	100,592
Excess (deficiency) of revenue and other sources over expenditures and other uses	841,532	-	37,370	34,877	(2,768,960)	-	(1,855,181)	20,800
Fund equity, beginning of year	5,139,061	-	133,693	527,877	285,399	-	6,086,030	6,065,230
Prior period adjustment	62,293	-	-	-	-	10,013	72,306	-
Fund equity (deficit), end of year	$ 6,042,886	$ -	$ 171,063	$ 562,754	$ (2,483,561)	$ 10,013	$ 4,303,155	$ 6,086,030

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

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Total fund balances - governmental funds		$ 4,303,155
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	$ 35,465,753	
Accumulated depreciation	(16,002,428)	19,463,325
Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(64,000)
Net 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.		2,031,784
Net 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.		(677,897)
Deferred outflows from the refunding of debt is reported in the statement of net position and is amortized over the refunded debt. In the governmental funds the total sources and payments related to the refunding are recognized in statement of revenue, expenditures and changes in fund equity.		28,480
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	(6,522,828)	
Net pension liability - ERS	(3,136)	
Net pension liability - TRS	(769,697)	
Other post-employment benefits	(5,834,112)	
Compensated absences	(40,625)	(13,170,398)
Total net position - governmental activities		$ 11,914,449

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

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	$ 8,740,133	$ -	$ -	$ (2,021,371)	$ 6,718,762
Due from other funds	527,579	-	-	(527,579)	-
State and federal aid receivable	348,841	-	-	-	348,841
Other receivables	3,893	-	-	-	3,893
Due from other governments	657,588	-	-	-	657,588
Inventories	14,100	-	-	-	14,100
Cash to be used for capital assets	-	-	-	2,021,371	2,021,371
Capital assets, net	-	19,463,325	-	-	19,463,325
Total assets	10,292,134	19,463,325	-	(527,579)	29,227,880
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	3,386,562	-	-	3,386,562
Deferred outflows related to bonds	-	28,480	-	-	28,480
Deferred outflows related to OPEB	-	604,448	-	-	604,448
Total assets and deferred outflows of resources	$ 10,292,134	$ 23,482,815	$ -	$ (527,579)	$ 33,247,370
Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position					
Liabilities					
Accounts payable	$ 745,871	$ -	$ -	$ -	$ 745,871
Accrued liabilities	99,006	-	-	-	99,006
Accrued interest	-	-	64,000	-	64,000
Due to other funds	527,579	-	-	(527,579)	-
Unearned revenue	47,736	-	-	-	47,736
Due to other governments	46,362	-	-	-	46,362
Due to retirement systems	522,425	-	-	-	522,425
Bond anticipation notes payable	4,000,000	-	-	-	4,000,000
Bonds payable	-	-	6,522,828	-	6,522,828
Net pension liability - ERS	-	-	3,136	-	3,136
Net pension liability - TRS	-	769,697	-	-	769,697
Other post-employment benefits	-	-	5,834,112	-	5,834,112
Compensated absences	-	-	40,625	-	40,625
Total liabilities	5,988,979	769,697	12,464,701	(527,579)	18,695,798
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	1,354,778	-	1,354,778
Deferred inflows related to OPEB	-	-	1,282,345	-	1,282,345
Total liabilities and deferred inflows of resources	5,988,979	769,697	15,101,824	(527,579)	21,332,921
Fund equity/net position	4,303,155	22,713,118	(15,101,824)	-	11,914,449
Total liabilities, deferred inflows of resources and fund equity/position	$ 10,292,134	$ 23,482,815	$ -	$ (527,579)	$ 33,247,370

ALFRED-ALMOND 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, 2021

Total net change in fund balances - governmental funds		$ (1,855,181)
Amounts reported for governmental activities in the statement of activities are different because:		
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:		
Capital outlays	$ 3,094,014	
Depreciation expense	(1,050,869)	2,043,145
Repayment of bond principal, including bond refunding, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,167,592
Proceeds from the issuance of long-term debt, including bond refunding, is recorded as revenue in governmental funds. However, in the statement of activities, proceeds from long-term debt are not recorded as revenue. Rather, long-term debt is recorded as a liability in the statement of net position.		(239,000)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. In addition, premiums received on bonds and bond anticipation notes are recorded as revenue in the governmental funds in the year received, whereas in the statement of activities premiums are amortized to interest expense. Lastly, amortization of deferred outflows related to bond refundings are also reflected in the statement of activities.		75,521
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.		(550,757)
District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution to the OPEB plan.		(137,605)
In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts earned exceeded the amounts paid).		8,375
Change in net position of governmental activities		$ 512,090

	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	$ 5,178,373	$ -	$ -	$ -	$ 5,178,373
Charges for services	84,114	-	-	(84,114)	-
Use of money and property	4,012	-	-	(19)	3,993
Sale of property compensation for loss	16,426	-	-	-	16,426
Miscellaneous	407,860	-	-	(45,114)	362,746
State sources	8,362,515	-	-	(80,365)	8,282,150
Federal sources	663,285	-	-	(635,138)	28,147
Surplus food	9,799	-	-	(9,799)	-
Sales (school food service)	6,264	-	-	(6,264)	-
Total revenue	14,732,648	-	-	(860,813)	13,871,835
Expenditures					
General support	2,657,926	258,304	-	313,631	3,229,861
Instruction	6,153,017	602,561	(8,375)	2,243,030	8,990,233
Pupil transportation	795,431	(42,347)	-	213,463	966,547
Community services	1,000	-	-	-	1,000
Employee benefits	2,717,562	-	688,362	(3,405,923)	1
Debt service	1,452,577	-	(1,243,113)	-	209,464
Capital outlay	2,861,663	(2,861,663)	-	-	-
Cost of sales	81,420	-	-	(118,781)	(37,361)
Other expenses	106,233	-	-	(106,233)	-
Total expenditures	16,826,829	(2,043,145)	(563,126)	(860,813)	13,359,745
Excess (deficiency) of revenue over expenditures	(2,094,181)	2,043,145	563,126	-	512,090
Other sources and uses					
Issuance of serial bonds	239,000	-	(239,000)	-	-
Operating transfers in	161,943	-	-	(161,943)	-
Operating transfers out	(161,943)	-	-	161,943	-
Total other sources (uses)	239,000	-	(239,000)	-	-
Net change for year	$ (1,855,181)	$ 2,043,145	$ 324,126	$ -	$ 512,090

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

The accompanying financial statements of the ***Alfred-Almond 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 fund of the ***Alfred-Almond Central School District*** represents funds of the students of the School District. The Board of Education exercises general oversight of these funds and has adopted the guidance prescribed by the New York State Education Department for safeguarding, accounting and auditing of extraclassroom activity funds. As a result, these funds do not meet the criteria required to be reported as fiduciary funds and are now being reported in a governmental fund. The cash and investment balances as well as revenues and expenditures are now reported in the general fund of the District. Under previous guidance the cash and investment balances were reported as agency funds. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

B. Joint Venture

The ***Alfred-Almond Central School District*** is a component of the Supervisory District of 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 $2,542,000 for BOCES administration and program costs. The District's share of BOCES aid and refunds amounted to $1,143,000 the year ended June 30, 2021. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

1. District-wide Statements (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

Miscellaneous Special Revenue – is used to account for and report those revenues that are restricted to expenditures for scholarships.

Fiduciary Fund Types - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are not included in the District-wide financial statements because their resources do not belong to the District, and are not available to be used. The District does not have any activities that qualify for reporting as a fiduciary.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

F. Inventory

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

G. Investments

Investments are stated at current market value.

H. Capital Assets

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 1,000	Straight-line	15-40 years
Machinery and equipment	$ 1,000	Straight-line	5-20 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 eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave. The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. The District has recorded an estimated liability in the District-wide financial statement amounting to $40,625. Payment of these benefits is dependent on many factors; therefore, the timing of future payments is not readily determinable.

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

K. Unearned Revenue

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Post-Employment Benefits

In addition to the retirement benefits described in Note 3VA, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

M. Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four 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) and benefits paid for the OPEB plan subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized. The fourth item is the deferred charge on refunding reported in the district-wide Statement of Net Position, which is amortized over the life of the remaining debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Deferred Inflows and Outflows of Resources (continued)

The District has two items that qualify for reporting in this category and is related to pensions reported in the district-wide Statement of Net Position. The first item represents the effect of the net change in the District's proportion of the collective net pension liability (ERS and TRS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized.

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 resale (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

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

2. Prepaid Expenses
This reserve is used to account for expenditures that were prepaid at the end of the fiscal year. This reserve is accounted for in the General Fund.

B. Restricted

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors,

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

1. 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.

2. Reserve for Retirement System Credits

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 Reserve

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

4. Capital Reserve

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

5. Reserve for Unemployment Insurance

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. 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)

B. Restricted (continued)

6. Debt Service Reserve

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

7. Endowment Scholarships Reserve

This reserve is used to account for endowments, scholarships and other funds held by the School District. These monies and earnings must be used for the specific purpose of the original contribution. This reserve is accounted for in the Miscellaneous Special Revenue 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.

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 reports the fund balance of the extraclassroom activities as committed fund balance as of June 30, 2021.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

D. Assigned (continued)

1. Encumbrance Reserve

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund. The District had outstanding encumbrances as of June 30, 2021 in the amount of $27,459.

2. Appropriated Fund Equity

General Fund - The amount of $524,936 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2022 as allowed by Section 1318 of the Real Property Tax Law.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

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 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;

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.

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 and the School Food Service Fund.

b) The proposed appropriations budget is approved by the voters within the District.

c) Appropriations are adopted at the program level.

d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The District had supplemental appropriations during the fiscal year ended June 30, 2021 in the amount of $1,600 related to CARES funding that was expended during the current year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary Procedures and Budgetary Accounting (continued)

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.

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

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

Alfred-Almond 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 current year presentations.

U. New Accounting Pronouncement

Effective July 1, 2020, the District implemented the provisions of GASB Statement No. 84, Fiduciary Activities. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in net position. Implementation of this guidance resulted in reclassification of extraclassroom activities, scholarship activities and payroll transactions in fiduciary activities to governmental activities and the creation of the miscellaneous special revenue fund to account for scholarships. The extraclassroom activities and payroll transactions were accounted for in the general fund.

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.

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)

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.

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.

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)

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 ***Alfred-Almond 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.

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, 2021 per the bank were approximately $8,801,000. Deposits are categorized as follows:

Category 1	Category 2	Carrying Value
$ 250,000	$ 8,551,000	$ 8,801,000

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash (continued)

A. Deposits (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, 2021, the District's bank deposits were fully collateralized.

II. Interfund Transactions

Interfund balances as of June 30, 2021 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 190,491	$ 270,461
School Lunch Fund	97,598	-
Special Aid Fund	-	190,491
Debt Service Fund	34,330	-
Capital Fund	205,160	66,627
Miscellaneous Special Revenue Fund	-	-
Total	$ 527,579	$ 527,579

Interfund transfers during the fiscal year ended June 30, 2021 were as follows:

	Interfund Revenue	Interfund Expense
General Fund	$ 32,297	$ 129,097
School Lunch Fund	9	-
Capital Fund	125,000	32,846
Special Revenue	4,088	-
Debt Service Fund	549	-
Total	$ 161,943	$ 161,943

During the current year ended June 30, 2021, the District transferred $125,000 from the General Fund to the Capital Project Fund to pay for the capital outlay project ($100,000) and towards the $4.5 million project ($25,000). In addition, $9 was transferred from the General Fund to the School Lunch Fund. The District transferred $4,088 from the General Fund to the Special Revenue Fund to cover its local share of the summer school/Section 4408 program. Lastly, $549 and $32,297, was transferred from the capital projects fund to the debt service fund and general fund, respectively, to close out prior projects.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

III. Receivables

Receivables at June 30, 2021 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	$ 179,721
Food Service	Other Receivables	581
Food Service	State and Federal Aid	52,411
General	Other Receivables	3,312
General	State and Federal Aid	116,709
General	Due from Other Governments	657,588
		$ 1,010,322

IV. Capital Assets

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

	Beginning Balance 06/30/20	Net Additions (Disposals)	Ending Balance 06/30/21
Governmental activities:			
Capital assets that are not depreciated:			
Land	$ 2,322	$ -	$ 2,322
Construction-in-progress	302,997	2,755,563	3,058,560
Capital assets that are depreciated:			
Buildings and improvements	28,312,967	100,000	28,412,967
Machinery and equipment	4,072,240	(80,336)	3,991,904
Total historical cost	32,690,526	$ 2,775,227	35,465,753
Less accumulated depreciation:			
Buildings and improvements	11,974,477	$ 749,926	12,724,403
Furniture and equipment	3,295,869	(17,844)	3,278,025
Total accumulated depreciation	15,270,346	$ 732,082	16,002,428
Total net book value	$17,420,180		$19,463,325

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

IV. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

General support	$	252,204
Instruction		602,561
Pupil transportation		196,104
	$	1,050,869

During the fiscal year ended June 30, 2021, the District had capital additions in the amount of $3,094,014 related to bus purchases, rotary lift, security upgrades, and smaller equipment purchases.

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

2. Contributions (continued)

For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

	TRS	ERS
2021	$ 442,000	$ 158,000
2020	419,000	155,000
2019	486,000	161,000

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

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

At June 30, 2021, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

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

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

Actuarial measurement date	ERS 3/31/2021	TRS 6/30/2020
Net pension asset (liability)	$ (3,136)	$ (769,697)
District's portion of the Plan's total net pension asset (liability)	.0031491%	.027855%

For the year ended June 30, 2021, the District's recognized pension expense of $111,778 for ERS and $1,043,829 for TRS. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 38,295	$ 674,408	$ -	$ 39,445
Changes of assumptions	576,546	973,487	10,874	346,997
Net difference between projected and actual earnings on pension plan investments	-	502,679	900,745	-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	101,781	33,627	14,565	42,152
District's contributions subsequent to the measurement date	43,381	442,358	-	-
Total	$ 760,003	$ 2,626,559	$ 926,184	$ 428,594

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

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

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

	ERS	TRS
Year ending:		
2022	$ (21,022)	$ 307,385
2023	3,940	612,820
2024	(31,216)	496,441
2025	(161,264)	300,984
2026	-	6,770
Thereafter	-	31,207

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/21	6/30/20
Actuarial valuation date	4/1/20	6/30/19
Interest rate	5.9%	7.1%
Salary scale	4.4% average	1.90% - 4.72%
	4/1/15 – 3/31/20	7/1/09 – 6/30/14
Decrement tables	System's Experience	System's Experience
Inflation rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019, applied on a generational basis.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

4. Actuarial Assumptions (continued)

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2021. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

Measurement date	ERS 3/31/21	Expected Rate of Return	TRS 6/30/20	Expected Rate of Return
Asset Type:				
Domestic equity	32%	4.05%	33%	7.1%
International equity	15%	6.30%	16%	7.7%
Global equity	-%	-%	4%	7.4%
Private equity	10%	6.75%	8%	10.4%
Real Estate	9%	4.95%	11%	6.8%
Opportunistic/ARS portfolio	3%	4.50%	-%	-%
Credit	4%	3.63%	-%	-%
Real assets	3%	5.95%	-%	-%
Domestic fixed income securities	-%	-%	16%	1.8%
Global fixed income securities	-%	-%	2%	1.0%
Real estate debt	-%	-%	7%	3.6%
Private debt	-%	-%	1%	5.2%
High-yield fixed income	-%	-%	1%	3.9%
Fixed Income	23%	-%	-%	-%
Cash	1%	0.5%	1%	0.7%
Total:	100%		100%	

5. Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 7.1% 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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

5. Discount Rate (continued)

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).

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1- percentage point lower (4.9% for ERS and 6.1% for TRS) or 1-percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (870,345)	$ (3,136)	$ 796,634

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
Employer's Proportionate share of the net pension asset (liability)	$ (4,861,908)	$ (769,697)	$ 2,664,706

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

7. 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:

	(Dollars in Thousands) ERS	TRS
Measurement date	3/31/21	6/30/20
Employers' total pension liability	$ 220,680,157	$ 123,242,776
Plan net position	$ 220,580,583	$ 120,479,505
Employers' net pension asset (liability)	$ (99,574)	$ (2,763,271)
Ratio of plan net position to be Employers' total pension asset (liability)	99.95%	97.8%

8. 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, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $43,381.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $479,044 (employer contribution $442,358 and employee contributions of $36,686).

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 dental insurance benefits to eligible retires 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, 2019 the plan had total active employees of 66, survivor 1, and retirees of 24.

Total OPEB Liability

The District's total OPEB liability of $5,834,112 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Methods and Other Inputs

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

Inflation	2.25% per year
Discount rate	2.45% as of June 30, 2021 and 3.13% as of June 30, 2020
Healthcare cost trend rates	Pre-65 medical trend 2020 – 6.5% reduced to an ultimate rate of 3.784% after 2075. For post-65 medical trend 2020 – 4.7% reduced to an ultimate rate of 3.784% after 2075.
Retirees' share of benefit-related costs	For the Superintendent the District pays 100% of single/family premium. For Principals the District pays 100% of single/family premium for up to 15 years respectively based on the number of sick days at retirement (one month of coverage per unused sick day). Retirees pay 100% after. For teachers, district contribution based on number of sick days at retirement and the year employees' retire based on contract.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability

The discount rate was based on a yield Fidelity General Obligation 20 year AA municipal bond index as of June 30, 2019.

Sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with Scale MP-2019 mortality improvement scale on a generational basis.

The actuarial assumptions used in the June 30, 2020 measurement represent a long-term expectation of future OPEB outcomes.

Service cost	$	277,426
Interest		174,436
Change of benefit terms		94,300
Differences between expected and actual experience		(162,905)
Changes in assumptions		268,524
Benefit payments		(226,589)
Net changes		425,192
Net OPEB liability – beginning of year		5,408,920
Net OPEB liability – end of year	$	5,834,112

Changes in benefit terms reflect changes to the benefit terms from NY44 Option A to Univera PPO Signature Copay 1 Plan. Changes in assumptions reflect changes in the discount rate of 2.45% as of June 30, 2021 and 3.13% as of June 30, 2020

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45%) or 1 percentage point higher (3.45%) that the current discount rate:

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

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

	1% Decrease (1.45%)	Current Assumption (2.45%)	1% Increase (3.45%)
Total OPEB liability	$ 6,377,436	$ 5,834,112	$ 5,332,163

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 that the current healthcare cost trend rates:

	1% Decrease (5.5%-2.784%)	Current Assumption (6.5%-3.784%)	1% Increase (7.5%-4.784%)
Total OPEB liability	$ 5,116,145	$ 5,834,112	$ 6,695,768

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

For the year ended June 30, 2021, the District recognized OPEB expense of $407,414. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefit payments subsequent to the measurement date	$ 269,809	$ --
Changes in assumptions	334,639	293,501
Difference between expected and actual experience	--	988,844
Total	$ 604,448	$ 1,282,345

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:	
2022	$ 138,748
2023	138,748
2024	138,748
2025	138,748
2026	138,748
Thereafter	253,966

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as part of the financial statements when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. Proceeds are utilized to purchase buses and fund capital projects.

State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. On September 16, 2020, the District issued bond anticipation notes in the amount of $4,000,000 with an interest rate of 1.25% which mature on September 15, 2021.

b. Short-Term Debt Interest

The District had short-term interest of $0 for the year ended June 30, 2021.

1. Long-Term Debt

a. Debt Limit

At June 30, 2021, the total indebtedness represents approximately 52% 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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

c. Changes

The changes in the School District's indebtedness during the year ended June 30, 2021 and 2020 are as follows:

	Balance June 30, 2021	Balance June 30, 2020	Amounts Due Within One Year
2015 Bond	$ -	$ 25,000	$ -
Series 2017B	2,855,000	3,060,000	215,000
Series 2017B Bond Premium	343,304	400,808	-
Series 2017 Bond Premium	146,524	216,055	-
2017 Refunding Bond Debt	2,635,000	3,440,000	590,000
2016 Bus Bond	45,000	90,000	45,000
2017 Bus Bond	44,000	66,000	22,000
2018 Bus Bond	135,000	180,000	45,000
2019 Bus Bond	80,000	100,592	20,000
2020 Bus Bond	239,000	-	44,000
OPEB Liability	5,834,112	5,408,920	-
Net pension liabilities	772,833	756,848	-
Compensated absences	40,625	49,000	-
	$ 13,170,398	$ 13,793,223	$ 981,000

During the current year, the District issued bonds for buses in the amount of $239,000. The District also made principal payments on its serial bonds in the amount of $1,167,592. The net change in bond premiums was a decrease of $127,035 during the fiscal year ended June 30, 2021. There was decrease of $8,375 in compensated absences during the fiscal year ended June 30, 2021. During the current year, other post-employment benefits liability increased in the amount of $425,192. Lastly, the net pension liability related to the NYS Employees' Retirement System decreased by $753,712, whereas NYS Teachers' Retirement System was reported as a net pension asset in the prior year as compared to a net pension liability of $769,697 in the current year.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity

1. The following is a summary of serial bonds indebtedness:

Description of Issue	Outstanding at June 30, 2021
Serial Bonds, issued 2017 with a maturity date of May 2026, bonds carry interest at 1.25%-5.00%. Refunded of 2007, 2010, and a portion of 2011 serial bonds.	$ 2,635,000
Plus: Unamortized bond premium	146,524
Bus Bonds, issued in 2016 with a maturity date of July 2021, bonds carry interest of 2.25%. Proceeds used to finance purchase of transportation vehicle.	45,000
Serial Bonds, issued in 2017 with a maturity date of August, 2022, bonds carry interest at 2.39%. Proceeds used to finance purchase of transportation vehicle.	44,000
Serial Bonds, issued in 2018 with a maturity date of August, 2023, bonds carry interest at 2.89%. Proceeds used to finance purchase of transportation vehicle.	135,000
Bus Bonds, issued in 2019 with a maturity date of August 2024, bonds carry interest of .7-2.85%. Proceeds used to finance purchase of transportation vehicle.	80,000
Serial Bonds, issued in 2020 with a maturity date of August 2025, bonds carry interest at 0.75-2.85%. Proceeds used to finance purchase of transportation vehicle.	239,000
Serial Bonds, issued in 2017 with a maturity date of June 2032, bonds carry interest at 3-5%. Proceeds used to fund additions and reconstruction projects.	2,855,000
Plus: Unamortized bond premium	343,304
	$ 6,522,828

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity (continued)

Year	Bus Bonds – 2016 Principal	Interest
2022	$ 45,000	$ 1,013
Total	$ 45,000	$ 1,013

Year	Series Bonds - 2017B Principal	Interest
2022	$ 215,000	$ 140,500
2023	225,000	129,750
2024	230,000	120,750
2025	245,000	109,250
2026	255,000	97,000
2026-2030	1,480,000	280,250
2031-2032	205,000	10,250
Total	$ 2,855,000	$ 887,750

Year	Refunding Bond Debt - 2017 Principal	Interest
2022	$ 590,000	$ 101,200
2023	605,000	79,850
2024	625,000	65,750
2025	650,000	40,750
2026	165,000	8,250
Total	$ 2,635,000	$ 295,800

Year	Bus Bonds - 2017 Principal	Interest
2022	$ 22,000	$ 1,052
2023	22,000	526
Total	$ 44,000	$ 1,578

Year	Bus Bonds - 2018 Principal	Interest
2022	$ 45,000	$ 3,902
2023	45,000	2,601
2024	45,000	1,300
Total	$ 135,000	$ 7,803

Year	Bus Bonds - 2019 Principal	Interest
2022	$ 20,000	$ 1,320
2023	20,000	1,095
2024	20,000	770
2025	20,000	285
Total	$ 80,000	$ 3,470

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued

d. Maturity (continued)

Year	Bus Bonds - 2020 Principal	Interest
2022	$ 44,000	$ 3,000
2023	45,000	1,918
2024	50,000	1,618
2025	50,000	1,180
2025	50,000	465
Total	$ 239,000	$ 8,181

e. Long-Term Debt Interest

Interest expense on long-term debt amounted to $284,985 for the year ended June 30, 2021.

3. Debt Issuance Costs, Premiums and Amortization

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

4. Bond Refunding

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

As a result of a difference between the carrying value of the refunded debt and reacquisition price of the new debt, a deferred outflows of resources in the amount of $77,822 was recognized. In the current year, $13,514 was amortized, with the remaining balance of $28,480 to be amortized through June 30, 2026.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity

A. Classification

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

Fund	Reservation Purposes	Balance June 30, 2021
Nonspendable:		
Food Service	Inventory	$ 14,100
Restricted:		
General	Reserve for employee benefits	$ 147,410
	Reserve for unemployment insurance	264,768
	Reserve for retirement system credits	1,003,605
	Reserve for capital	2,145,396
	Retirement contribution – TRS	272,835
	Workers compensation	170,876
		$ 4,004,890
Debt Service	Reserve for debt service	$ 562,754
Miscellaneous Special Revenue	Reserve for endowment scholarships	$ 10,013
Committed:		
General	Extraclassroom fund balances	$ 62,493
Assigned:		
General	Appropriated Fund Balance	$ 524,936
	Encumbrances	27,459
		$ 552,395
Food Service	Fund Equity	$ 156,963

B. District-wide Net Position

Net position of the District include restricted net position of $4,577,657 which represent restricted amounts in the general, miscellaneous special revenue and debt service funds as presented above.

C. Accumulated Deficits

The District's capital project fund had an accumulated deficit in the amount of $2,483,561 as of June 30, 2021. It is not uncommon for school districts to have deficit fund balances in the capital project funds as a result of short-term debt being recorded as liabilities until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

The ***Alfred-Almond 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.

B. Federal and State Grants

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

C. Compensated Absences

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

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

During the current year, the District incurred costs for the purchase of a new bus in the amount of $239,000, including a transfer to the general fund of $549. The District also incurred costs associated with capital outlay projects in the amount of $75,673.

The District was also awarded a portion of the Smart Schools Bond that was approved in 2014. The District's allocation is $609,287. $71,322 of costs related to the Smart Bond project were incurred during the year June 30, 2021.

Lastly, in May 2019, the voters approved a capital improvement project not to exceed $4.5 million and to expend $450,000 from the District's capital reserve fund. The $450,000 was transferred towards the project during the 2018-19 school year. The project consists of improvements to all District facilities, including the bus garage, K-12 building and campus as well as energy performance improvements. The District incurred $2,746,965 of expenses as of June 30, 2021.

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.

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 $212,000 of CARES Act – ESSER and GEER assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. As of June 30, 2021 the District had expenditures totaling $211,922 against this funding.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately $579,000 of CRRSA Act assistance to the District. As of June 30, 2021 the District has spent $0 of the CRRSA funds.

In March 2021, the American Rescue Plan (ARP) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately $2,002,000 of ARP Act assistance to the District. As of June 30, 2021 the District has spent $0 of the ARP funds.

The District also provided free breakfast and lunches to all students (except those who opted out) through the Summer Food Service Program.

NOTE 5 – COVID 19 PANDEMIC (CONTINUED)

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 – PRIOR PERIOD ADJUSTMENT

Implementation of GASB No. 84 required prior period adjustments for the governmental and fiduciary funds. This adjustment was needed to move the beginning balances of amounts previously reported as fiduciary funds to the respective governmental funds. Total scholarship funds of $10,013 and extraclassroom activity funds of $62,293 were reclassified from fiduciary funds to the Miscellaneous Special Revenue Fund and General Fund, respectively, as of July 1, 2020.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 5, 2021, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	$ 5,178,886	$ 5,178,886	$ 5,178,373	$ (513)
Charges for services	40,000	40,000	84,114	44,114
Use of money and property	7,000	7,000	3,185	(3,815)
Sale of property and compensation for loss	-	-	16,426	16,426
Miscellaneous	117,000	117,000	329,226	212,226
State Sources:				
Basic formula	7,308,147	7,308,147	7,084,413	(223,734)
BOCES	1,000,000	1,000,000	1,142,994	142,994
Textbooks	45,777	45,777	32,853	(12,924)
All other aid	11,556	11,556	21,890	10,334
Federal Sources:				
Medicaid reimbursement	20,000	20,000	26,547	6,547
CARES Act	-	1,600	1,600	-
Total revenue	13,728,366	13,729,966	13,921,621	191,655
Other Sources				
Operating transfer in	-	-	32,297	32,297
Total revenue and other sources	13,728,366	13,729,966	$ 13,953,918	$ 223,952
Appropriated fund equity and carryover encumbrances	627,252	638,397		
Total revenue, other sources and appropriated fund equity	$ 14,355,618	$ 14,368,363		

See accompanying independent auditor's report.

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	$ 54,255	$ 59,548	$ 56,730	$ 20	$ 2,798
Central administration	190,976	198,138	196,035	750	1,353
Finance	319,720	277,146	272,093	-	5,053
Staff	30,900	41,738	41,539	-	199
Central services	1,119,261	1,817,821	1,702,236	7,003	108,582
Special items	309,482	312,543	306,154	1,953	4,436
Instructional:					
Instruction, administration and improvement	401,935	391,637	332,347	-	59,290
Teaching - regular school	3,950,630	3,324,378	3,144,232	541	179,605
Programs for children with handicapping conditions	1,459,741	1,385,631	1,211,502	1,384	172,745
Teaching - special schools	26,000	16,100	2,399	-	13,701
Occupational education	516,413	516,047	511,136	-	4,911
Instructional media	149,092	148,057	132,565	213	15,279
Pupil services	461,228	478,733	404,976	9,143	64,614
Pupil Transportation	595,745	633,106	556,980	6,452	69,674
Community services	1,350	1,350	1,000	-	350
Employee Benefits	3,090,713	3,084,116	2,658,788	-	425,328
Debt Service:					
Debt service principal	1,292,592	1,266,767	1,167,592	-	99,175
Debt service interest	285,585	286,410	284,985	-	1,425
Total expenditures	14,255,618	14,239,266	12,983,289	27,459	1,228,518
Other Uses:					
Transfer to other funds	100,000	129,097	129,097	-	-
Total other uses	100,000	129,097	129,097	-	-
Total expenditures and other uses	$ 14,355,618	$ 14,368,363	13,112,386	$ 27,459	$ 1,228,518
Excess of revenue and other sources over expenditures and other uses			$ 841,532		

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	$ 4,303	$ 9,277	$ 4,974
Federal sources	149,389	263,666	114,277
Sales	95,833	6,264	(89,569)
Miscellaneous	48,217	45,114	(3,103)
Surplus food	25,000	9,799	(15,201)
Use of money and property	-	19	19
Total revenue	322,742	334,139	11,397
Expenditures			
General support	90,354	83,139	7,215
Employee benefits	28,097	25,986	2,111
Cost of sales	122,822	81,420	41,402
Other expenses	116,469	106,233	10,236
Total expenditures	357,742	296,778	60,964
Excesof revenue over expenditures	(35,000)	37,361	72,361
Other sources (uses)			
Transfer from general fund	-	9	9
Excess (deficiency) of revenue and other sources over expenditures and other uses	$ (35,000)	37,370	$ 72,370
Fund equity, beginning of year		133,693	
Fund equity, end of year		$ 171,063	

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	$ 14,355,618
Additions:	
Prior year encumbrances	11,145
Original Budget	14,366,763
Budget Revisions:	
Supplemental appropriation - Cares Act Funding	1,600
Final budget	$ 14,368,363

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter-approved expenditure budget	**$ 14,937,499**
Maximum allowed (4% of 2021-22 budget)	**$ 597,500**
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:	
Unrestricted fund balance:	
Committed fund balance	$ 62,493
Assigned fund balance	552,395
Unassigned fund balance	1,423,108
Total unrestricted fund balance	2,037,996
Less:	
Committed fund balance	$ 62,493
Appropriated fund balance	524,936
Insurance recovery reserve	-
Tax reduction reserve	-
Enumbrances included in committed and assigned fund balance	27,459
Total adjustments	614,888
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	**$ 1,423,108**
Actual percentage	**9.5%**

* Per Office of State Comptroller's "Fund Balance Reporting and Governmental Type Definitions", Updated April 2011 (Orginally 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.

SCHEDULE OF PROJECTS EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

			Expenditures				Unexpended	Methods of financing			Fund
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Interfund Transfer	Total	(Overexpended) Balance	Proceeds of Obligations	Local Sources	Total	Balance June 30, 2021
2020-21 Capital Outlay	$ 100,000	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000	$ 100,000	$ 100,000
2019-20 Capital Outlay	100,000	100,000	24,327	43,376	32,297	100,000	-	-	100,000	100,000	-
Emergency Bus Lift	200,000	200,000	200,000	-	-	200,000	-	-	200,000	200,000	-
Smart Schools Project	609,287	609,287	22,907	71,322	-	94,229	515,058	-	-	-	(94,229)
$4.5m Capital Project	4,500,000	4,500,000	217,367	2,746,965	-	2,964,332	1,535,668	4,000,000	475,000	4,475,000	1,510,668
Bus Purchases	239,000	239,000	-	238,451	549	239,000	-	239,000	-	239,000	-
	$ 5,748,287	$ 5,748,287	$ 464,601	$ 3,100,114	$ 32,846	$ 3,597,561	$ 2,150,726	$ 4,239,000	$ 875,000	$ 5,114,000	1,516,439
								Less: Bond Anticipation Notes			(4,000,000)
								Unassigned fund equity (deficit) as of June 30, 2021			$ (2,483,561)

BUDGET COMPARISON STATEMENT FOR STATE AND OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school *	N/A	2021	N/A	$ 8,840	$ 8,840
Universal Pre-kindergarten	0409-21-7009	2021	$ 66,336	66,336	66,336
School lunch programs	N/A	2021	N/A	6,901	6,901
School breakfast programs	N/A	2021	N/A	2,376	2,376
				$ 84,453	$ 84,453

* Revenue includes interfund transfer of $4,088 from the general fund which represents the local share of expenditures.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the ***Alfred-Almond 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Basis of Accounting

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for 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 ***Alfred-Almond Central School District*** is the recipient of a non-monetary federal award program. During the year ended June 30, 2021, the District reported in the Schedule of Federal Awards $9,799 of donated commodities at fair market value received and disbursed.

Note 3 – Indirect Cost Rate

Alfred-Almond Central School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
Passed through NYS Department of Education:					
Title I	84.010A	0021-21-0070	$ 176,482	$ 167,012	$ 167,012
Title II, Part A	84.367A	0147-21-0070	23,089	23,089	23,089
IDEA Part B, Section 611 *	84.027A	0032-21-0034	146,897	146,897	146,897
IDEA Part B, Section 619 *	84.173A	0033-21-0034	4,745	4,745	4,745
REAP	84.358A	S358A202537	14,707	14,707	14,707
Title IV	84.424A	0204-21-0070	15,022	15,022	15,022
CARES Act - ESSERF	84.425D	5890-21-0070	181,210	1,600	1,600
CARES Act - GEER	84.425C	5895-21-0070	30,712	-	-
US Department of Agriculture:					
Passed through NYS Department of Education:					
COVID-19 Summer Food Program for Children **	10.559	N/A	N/A	263,666	263,666
Passed through NYS Office of General Services:					
National School Lunch Program					
Noncash assistance (Donated Commodities) **	10.555	N/A	N/A	9,799	9,799
Total expenditures and revenue				$ 646,537	$ 646,537

* Constitutes a cluster of Federal programs named Special Education Cluster with total revenue and expenditures of $ 151,642
** Constitutes a cluster of Federal programs named Child Nutrition Cluster with total revenue and expenditures of $ 273,465

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
AS OF JUNE 30, 2021

Capital Assets	$	19,463,325
Less:		
Serial bonds		(6,522,828)
Bond anticipation notes		(4,000,000)
Plus:		
Assets for capital projects, net of related liabilities		1,516,439
Net investment in capital assets	$	10,456,936

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2021

As of the measurement date of June 30,	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 277,426	$ 291,511	$ 286,589	$ 317,693
Interest	174,436	229,339	215,222	179,751
Change of benefit terms	94,300	(95,844)	92,441	-
Differences between expected and actual experience	(162,905)	(1,064,517)	-	-
Changes in assumptions	268,524	117,598	(98,074)	(387,210)
Benefit payments	(226,589)	(225,979)	(196,656)	(182,201)
Net change in total OPEB liability	425,192	(747,892)	299,522	(71,967)
Total OPEB liability - beginning	5,408,920	6,156,812	5,857,290	2,075,286
Prior period adjustment	-	-	-	3,853,971
Total OPEB liability - ending	$ 5,834,112	$ 5,408,920	$ 6,156,812	$ 5,857,290
Plan fiduciary net position				
Contributions - employer	$ 226,589	$ 225,979	$ 196,656	$ 182,201
Net investment income	-	-	-	-
Benefit payments	(226,589)	(225,979)	(196,656)	(182,201)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -
District's net OPEB liability	$ 5,834,112	$ 5,408,920	$ 6,156,812	$ 5,857,290
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 6,170,110	$ 5,999,761	$ 5,308,441	n/a
District's net OPEB liability as a percentage of covered-employee payroll	94.55%	90.15%	115.98%	n/a

Notes to Schedule:

Changes in assumptions: Discount rate changes -2.45% as of June 30, 2021 and 3.13% as of June 30, 2020
Changes in benefits: During the 2019-20 fiscal year, District offerred an early retirement incentive to its Teachers' Association.

n/a - The District's covered employee payroll was not available for 2018

SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB
FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2021

For the year ended June 30,	2021	2020	2019	2018
Actuarially determined contributions	$ 226,589	$ 225,979	$ 196,656	$ 182,201
Contributions in relation to the actuarially determined contribution	(226,589)	(225,979)	(196,656)	(182,201)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 6,170,110	$ 5,999,761	$ 5,308,441	n/a
Contributions as a percentage of District's covered-employee payroll	3.67%	3.77%	3.70%	n/a

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2019.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	2.45% as of June 30, 2021 and 3.13% as of June 30, 2020
Inflation	2.25% per year
Rate of salary increase	2.70% per year
Healthcare cost trend rates	6.5% (Pre-65), 4.7% (Post-65 Medicare advantange), Prescription Drug 6.75% for 2021. Rates expected to decrease each year thereafter with an ultimate rate of 3.784% after 2075.
Mortality	Pub-2010 Public Retirement Plants Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with Scale MP-2019 mortality improvement scale on a generational basis.
Retiree Cost Sharing	For superintendents, retiree contributes 11% of the premium for pre-65 coverage and 100% of the premium for post-65 coverage. For principals, District pays 100% of single/family premium for up to 10 years based on the number of sick days at retirement (1 month of coverage per unused sick day). Retirees pay 100% after 10 years. Teachers number of sick days are converted and applied to health insurance for a period years up to 10 years based on the contract in place at the year of retirement.
Participants	66 Active, 1 survivor, and 24 Retirees

n/a - The District's covered employee payroll is not available

SCHEDULE OF DISTRICT CONTRIBUTIONS- NYSTRS AND NYSLERS FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2021

New York State Teachers' Retirement System

For the year ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	$ 442,358	$ 418,883	$ 485,530	$ 432,777	$ 503,374	$ 563,381	$ 750,705	$ 678,625	$ 478,268
Contributions in relation to the contractually required contribution	(442,358)	(418,883)	(485,530)	(432,777)	(503,374)	(563,381)	(750,705)	(678,625)	(478,268)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,641,742	$ 4,727,799	$ 4,571,849	$ 4,522,384	$ 4,425,721	$ 4,248,725	$ 4,282,402	$ 4,176,154	$ 4,039,426
Contributions as a percentage of District's covered-employee payroll	9.53%	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,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	$ 157,980	$ 155,418	$ 160,969	$ 168,273	$ 163,766	$ 193,633	$ 197,487	$ 221,064	$ 191,454
Contributions in relation to the contractually required contribution	(157,980)	(155,418)	(160,969)	(168,273)	(163,766)	(193,633)	(197,487)	(221,064)	(191,454)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,089,197	$ 1,071,910	$ 1,082,807	$ 1,113,964	$ 1,071,380	$ 1,066,404	$ 1,064,944	$ 1,102,416	$ 1,050,766
Contributions as a percentage of District's covered-employee payroll	14.50%	14.50%	14.87%	15.11%	15.29%	18.16%	18.54%	20.05%	18.22%

SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY - NYSTRS AND PROPORTIONATE SHARE OF NET PENSION LIABILITY –NYSLERS

FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2021

New York State Teachers' Retirement System - Net Pension Asset (Liability)

As of the measurement date of June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension asset (liability)	n/a	0.027855%	0.027390%	0.027111%	0.027103%	0.027534%	0.028509%	0.028272%	0.027577%
District's proportionate share of the net pension asset (liability)	n/a	$ (769,697)	$ 711,596	$ 490,240	$ 206,013	$ (294,897)	$ 2,961,151	$ 3,149,279	$ 181,526
District's covered-employee payroll	n/a	$ 4,727,799	$ 4,571,849	$ 4,522,384	$ 4,425,721	$ 4,248,725	$ 4,282,402	$ 4,176,154	$ 4,039,426
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	-16.28%	15.56%	10.84%	4.65%	-6.94%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	97.80%	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,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension (liability)	0.0031491%	0.0028581%	0.0030961%	0.0033578%	0.0031662%	0.0033587%	0.0032845%	n/a	n/a
District's proportionate share of the net pension (liability)	$ (3,136)	$ (756,848)	$ (219,369)	$ (108,370)	$ (297,506)	$ (539,085)	$ (110,959)	$ (148,423)	n/a
District's covered-employee payroll	$ 1,089,197	$ 1,071,910	$ 1,082,807	$ 1,113,964	$ 1,071,380	$ 1,066,404	$ 1,064,944	$ 1,102,416	n/a
District's proportionate share of the net pension (liability) as a percentage of its covered employee payroll	0.29%	70.61%	20.26%	9.73%	27.77%	50.55%	10.42%	13.46%	n/a
Plan fiduciary net position as a percentage of the total pension (liability)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a	n/a

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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
Alfred-Almond Central School District
Almond, 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 ***Alfred-Almond Central School District*** as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise ***Alfred-Almond Central School District's*** basic financial statements and have issued our report thereon dated October 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ***Alfred-Almond 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 ***Alfred-Almond Central School District's*** internal control. Accordingly, we do not express an opinion on the effectiveness of ***Alfred-Almond Central School District's*** internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item II.A.2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ***Alfred-Almond 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.2021-002.

Members of American Institute of Certified Public Accountants
Private Companies Practice Section

Alfred-Almond Central School District's Responses to Findings

Alfred-Almond Central School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. ***Alfred-Almond 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 5, 2021

I. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of ***Alfred-Almond Central School District***.

2. One deficiency relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Governmental Auditing Standards". This condition is reported as a significant deficiency and is described in the accompanying schedule of findings and questioned costs as item II.A.2021-001.

3. There was one instance of noncompliance material to the financial statements of ***Alfred-Almond Central School District*** reported in the 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". This instance of noncompliance is reported as item II.B.2021-002.

4. A single audit in accordance with Uniform Guidance was not required during the fiscal year ended June 30, 2021, as the District's expenditures of Federal Awards were below $750,000.

II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2021-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2021

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 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 with Generally Accepted Accounting Principles (GAAP).

Auditors' Recommendations: 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: As pointed out above, auditors are still permitted to provide these services but are required to disclose the assistance as a significant deficiency. All journal entries and the financial statements are reviewed by the district in detail before being accepted. The District believes that officials have a thorough understanding of the financial statements and that allowing the auditors to prepare the journal entries necessary to comply with GASB 34 as well as the financial statements and disclosures is the most efficient and cost effective approach. Furthermore, the District feels that is has the ability to make informed judgments based on the financial statements and disclosures provided.

B. COMPLIANCE AND OTHER MATTERS

2021-002 Fund Balance

Year ended June 30, 2021

Conditions and criteria: ***Alfred-Almond Central School District's*** unassigned fund balance in the general fund as of June 30, 2021 amounted to approximately $1,423,000. This amount constitutes approximately 9.5% of the 2021-2022 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: ***Alfred-Almond Central School District'*** should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

School District's Response: ***Alfred-Almond Central School District'*** realizes that its unassigned fund balance as of June 30, 2021 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

I. PRIOR 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

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, 2021 as finding 2021-001.

B. COMPLIANCE AND OTHER MATTERS

2020-002 **Unassigned Fund Balance**

Year Ended June 30, 2020

Summary of Prior Year Finding: ***Alfred-Almond Central School District's*** unassigned fund balance as of June 30, 2020 amounted to approximately $1,437,000. This amount constitutes approximately 10.0% of the 2020-2021 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, 2021 as finding 2021-002.

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Certified Public Accountants ▲ Business Advisors

To the President and Members of the
Board of Education
and School Administration
Alfred-Almond Central School District
Almond, New York

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2021 of the District's financial statements and have issued our reports thereon dated October 5, 2021. 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 ***Alfred-Almond Central School District*** for the year ended June 30, 2021, 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, 2017 through June 30, 2021. 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. ***Alfred-Almond Central School District's*** has provided responses to additional comments that follow, however, we did not audit such responses and, accordingly, we express no opinion on them.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
October 5, 2021

Member of American Institute of Certified Public Accountants
Private Companies Practice Section

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT
REVENUE AND EXPENDITURES COMPARISON AND ANALYSIS OF FUND EQUITY - GENERAL FUND (AMOUNTS IN $1,000)

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Revenue and other sources					
Property taxes	$ 5,178	$ 5,082	$ 4,962	$ 4,970	$ 4,942
State aid	8,282	8,289	8,062	7,768	7,382
All other	492	327	381	440	414
	13,954	13,698	13,405	13,178	12,737
Expenditures and other uses					
General support	2,575	2,575	1,969	1,757	1,601
Instruction	5,739	6,040	6,721	6,320	6,131
Transportation	557	467	510	496	517
Benefits	2,659	2,617	2,550	2,742	2,520
Debt	1,453	1,473	1,473	1,478	1,596
Transfers	129	317	728	112	110
	13,112	13,489	13,951	12,905	12,475
Excess (deficiency) of revenue over expenditures	842	209	(546)	273	263
Fund equity					
Beginning of year	5,139	4,930	5,476	5,203	4,940
Prior period adjustment	62	-		-	-
End of year	$ 6,043	$ 5,139	$ 4,930	$ 5,476	$ 5,203
Analysis of fund equity					
Nonspendable	$ -	$ -	$ 64	$ 124	$ 143
Restricted					
Reserve for retirement system credits	1,004	903	902	902	902
Reserve for TRS	273	180	-	-	-
Reserve for employee benefits	147	97	98	97	97
Reserve for unemployment insurance	265	140	90	90	90
Reserve for workers' compensation	171	124	62	-	-
Reserve for capital	2,145	1,620	1,520	2,068	1,918
Committed	62	-	-	-	-
Assigned					
Reserve for encumbrances	27	60	59	77	48
Next year's budget	525	627	527	417	535
Unassigned	1,424	1,388	1,608	1,701	1,470
	$ 6,043	$ 5,139	$ 4,930	$ 5,476	$ 5,203

Capital Assets

The District reports approximately $19 million of capital assets. For financial statement reporting purposes there are reconciliations that are required to agree the District's records to the fixed asset appraisal, which are primarily related to prior capital projects that were not included on the appraisal report. We recommend the District work to identify the differences and contact the appraisal company so that the appraisal report will align with the District's audit report. In the future, an important step in the capital assets process is not only reporting additions and disposals to the appraisal company on an annual basis but also reviewing the report once an update is complete to verify that such items were accounted for properly.

District response: The District's Business Manager has begun reviewing the fixed asset appraisal report in an attempt to reconcile back to accounting records and capital project final cost reports. Assistance from the auditors has been requested in interpreting source documents. The District will look into acquiring an asset management program.

Future Governmental Accounting Standards

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 continue to monitor and educate business office staff on these new standards and make necessary changes when deemed necessary.

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUND
FINANCIAL STATEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

ALFRED ALMOND CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND

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BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the President and
Members of the Board of Education
Alfred-Almond Central School District
Almond, New York

We have audited the accompanying statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of the ***Alfred-Almond Central School District*** for the year ended June 30, 2021, 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 auditors' 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.

Unmodified Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of the ***Alfred-Almond Central School District*** for the year ended June 30, 2021 on the basis of accounting described in Note 1.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
October 5, 2021

ALFRED-ALMOND CENTRAL SCHOOL DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
JULY 1, 2020 THROUGH JUNE 30, 2021

	Balances July 01, 2020	Total Receipts 2020-2021	Total Receipts & Balances	Total Payments 2020-2021	Balances June 30, 2021
ALCEN	$ 6,755	$ 7,037	$ 13,792	$ -	$ 13,792
Athletic Council	5,365	36	5,401	4,662	739
Band Club	2,840	1,758	4,598	936	3,662
Chorus Club	5,072	792	5,864	1,467	4,397
Class of 2020	6,202	-	6,202	6,202	-
Class of 2021	6,277	3,237	9,514	9,514	-
Class of 2022	3,366	6,020	9,386	2,994	6,392
Class of 2023	4,899	659	5,558	-	5,558
Class of 2024	4,294	4,629	8,923	2,312	6,611
Class of 2025	50	1,048	1,098	121	977
Class of 2026	-	3,353	3,353	1,697	1,656
Computer Club	528	-	528	-	528
French Club	826	-	826	-	826
Interest Account	65	14	79	69	10
Math Club	830	429	1,259	514	745
National Honor Society	3,743	-	3,743	1,252	2,491
Performing Arts	1,581	822	2,403	559	1,844
Sales Tax	567	478	1,045	437	608
Spanish Club	4,199	-	4,199	1	4,198
Student Government	4,834	4,070	8,904	1,445	7,459
Total activity fund	$ 62,293	$ 34,382	$ 96,675	$ 34,182	$ 62,493

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are included in the financial statements of ***Alfred-Almond Central School District***. Cash balances of $62,493 are included in the General Fund with a corresponding amount recorded as committed fund balance.

The accounts of the Extraclassroom Activity Fund of ***Alfred-Almond 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.

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BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

To the President and Members of the
Board of Education
and School Administration
Alfred Almond Central School District
Almond, 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 ***Alfred Almond Central School District*** as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered ***Alfred Almond 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 ***Alfred Almond Central School District***'s internal control. Accordingly, we do not express an opinion on the effectiveness of ***Alfred Almond 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 deficiencies in internal control 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 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 deficiencies in internal control to be material weaknesses:

Point of Sale Records

We noted several 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. 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 response: The District, with the help of the central treasurer, will continue to urge the student treasurers and faculty advisors to provide appropriate point of sale records to back up their fundraiser deposits. The point of sale records are provided for many deposits, but certain fundraisers remain difficult to ensure proper point of sale records are kept.

Gross Margin Analysis

At the conclusion of each fundraiser, the Activity Fund is expected to compare the actual revenue and expenditures to the expected results. We recommend that going forward these forms be required to be completed for each individual fundraiser. Further, we recommend that these forms be filed separate from the receipts and disbursements records and that they be analyzed by someone in an oversight role to ensure that fundraisers meet budgeted expectations and achieve appropriate margins.

District's response: The District's current fundraiser procedures includes the use of the gross margin analysis, and we will continue to advise the clubs that it is a necessary form to submit before and after the event.

The following are additional comments for consideration.

Student Involvement and Approval of Receipts

An activity fund is defined as "an organization within the School District whose activities are conducted by students and whose financial support is raised other than taxation or through charges of the Board of Education". During our audit of the extraclassroom activities fund, we noticed in all instances a student's signature and club advisor was lacking from documentation relating to cash receipts. We recommend that students substantiate their involvement in the cash receipt process by signing off on all cash deposits. Activity advisors should also sign or initial the deposit to evidence their oversight.

District response: The student treasurers/faculty advisors currently sign off on a log sheet that lists the amounts of student activity deposits, which is kept separate of the individual deposits. The District will explore the possibility of requiring signatures on the deposit document.

This communication is intended solely for the information and use of management, Board of Education, and others within ***Alfred-Almond 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 5, 2021

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BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

October 5, 2021

To the Audit Committee
and Board of Education
Alfred-Almond Central School District
Almond, New York

We have audited the financial statements of Alfred-Almond Central School District as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Governmental Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2021. 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 Alfred-Almond Central School District are described in Note 1 to the financial statements. During the current year, the District implemented Governmental Accounting Standards Board Statement Number 84, Fiduciary Activities. The implementation of this new standard resulted in prior period adjustments in which certain extraclassroom funds and scholarship funds were moved from a fiduciary fund type to governmental funds as they no longer meet the definition of being a fiduciary activity. Also, certain payroll transactions were reclassified from a fiduciary activity to a general fund activity. We noted no transactions entered into by Alfred-Almond Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 asset (TRS), a net pension liability (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 3 and disclosures related to the 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 5, 2021.

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 District 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 Alfred-Almond 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.