

**COHOES CITY SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2021**

COHOES CITY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Cohoes City School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cohoes City 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

As described in Note 1 to the financial statements, in 2020/2021, the District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1-A12, budgetary comparison information on pages C1 and C2, schedule of changes in total OPEB liability on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of District contributions on page C5 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cohoes City School District's basic financial statements. The supplementary information on pages D1 - D3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages F3-F4 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and schedule of expenditures of federal awards 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 supplemental information and schedule of expenditures of federal awards 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 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
October 15, 2021

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also 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 immediately follow this section.

FINANCIAL HIGHLIGHTS

The District experienced a decrease of \$11,481,531 in total net position during the year. This is a result of an increase in District deferred outflows and inflows for TRS, ERS and other postemployment benefits.

- GASB 75 requires that a long-term liability be accrued for other post employment benefits. The amount of this accrual for the year ended Cohoes City School District is \$138,353,661, an increase of \$2,964,098 from the prior year due to changes in assumptions and actual experience.
- Capital Fund expenses totaled \$550,724 for the year ended June 30, 2021.
- In May 2021, the 2021-2022 budget proposal of \$43,636,917 was approved, applying no appropriated use of fund balance or reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Table A-1 shows how the various sections of this annual report are arranged and related to one another.

Table A-1 Organization of the District's Annual Financial Report

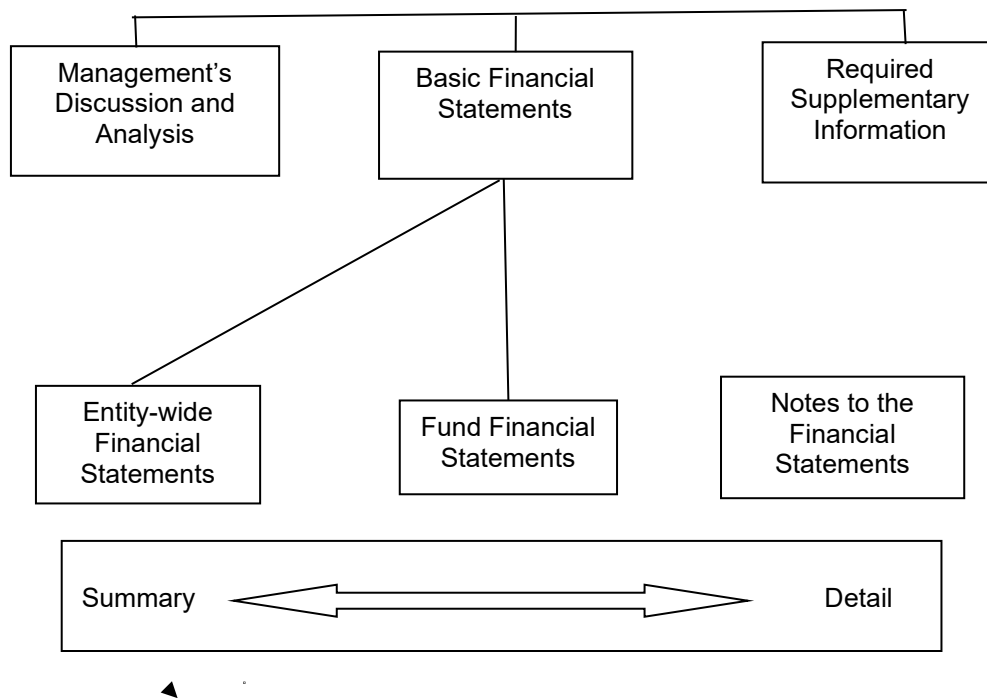


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-2 Major Features of the School District-wide and Fund Financial Statements

	District-wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The daily operating activities of the District, such as instruction and special education.	Instances in which the District administers resources on behalf of someone else.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund equity 	<ul style="list-style-type: none"> • Statement of net position • Statement of changes in 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 and deferred outflow/liability and deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, short-term and long-term	Generally, 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 revenue and expenses during the year, regardless of when cash is received or paid.	Revenue 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.

District-Wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

District-Wide Statements (Continued)

Net position of the governmental activities differ from governmental fund balance because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated.

Capital assets and long-term debt are accounted for in account groups and do not affect the fund balance.

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position as follows:
 - Investment in capital assets, net of related debt.
 - Restricted net position has constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's 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. The funds have been established by the State of New York.

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, capital projects fund, and the debt service fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund equity.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position as of June 30, 2021, are as detailed in Tables A-3 and A-4.

Table A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Percent Change</u>
Current and other assets	\$ 11,799	\$ 11,107	6
Noncurrent assets	<u>52,551</u>	<u>56,943</u>	(8)
Total assets	<u>\$ 64,350</u>	<u>\$ 68,050</u>	(5)
Deferred outflows of resources	<u>48,193</u>	<u>52,652</u>	(8)
Current liabilities	\$ 2,034	\$ 2,407	(15)
Long-term liabilities	<u>153,721</u>	<u>154,694</u>	(1)
Total liabilities	<u>\$ 155,755</u>	<u>\$ 157,101</u>	(1)
Deferred inflows of resources	<u>10,927</u>	<u>6,257</u>	75
Net position			
Net investment in capital assets	\$ 42,451	\$ 41,098	3
Restricted	4,591	4,576	0
Unrestricted	<u>(101,180)</u>	<u>(88,330)</u>	15
Total net position	<u>\$ (54,138)</u>	<u>\$ (42,657)</u>	27

During 2021, the District's assets and deferred outflows decreased by approximately \$8,158,425 (See Table A-3) primarily as a result of the change in OPEB and pension resources.

Deferred outflows of resources relate primarily to ERS, TRS & OPEB.

The decrease in liabilities can be attributed primarily to the decrease in net pension liability, debt payments and accounts payable.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Changes in Net position

The District's fiscal year 2021 revenue totaled \$46,086,354 (See Table A-4). Property taxes and New York State aid accounted for the majority of revenue (see Table A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$57,567,885 for 2021. These expenses are predominately for the education, supervision, and transportation of students (see Table A-6). The District's administrative and business activities accounted for 2% of total costs.

Net position decreased during the year by \$11,481,531.

Table A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Percent Change</u>
Revenue			
Charges for services	\$ 15	\$ 90	(83)
Operating grants	4,105	3,740	10
Capital grants	0	386	(100)
General revenue			
Real property taxes	17,868	17,671	1
Other tax items	0	0	0
Use of money and property	0	0	0
State sources	23,167	23,780	(3)
Investment earnings	2	19	(89)
Other income	929	511	82
Total revenue	<u>46,086</u>	<u>46,197</u>	0
Expenses			
Instruction	24,065	25,449	(5)
Administrative & business	1,147	1,122	2
Operation & maintenance	2,678	2,783	(4)
Pupil transportation	1,279	1,354	(6)
Employee Benefits	24,367	23,923	2
Depreciation expense	2,597	1,632	59
Other expense	0	0	0
Food services	1,228	1,063	16
Interest expense	207	274	(24)
Total expenses	<u>57,568</u>	<u>57,600</u>	0
Decrease in net position	<u>\$ (11,482)</u>	<u>\$ (11,403)</u>	1

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The decrease in instructional expenses is attributed to reductions that were made to programs and staffing in preparation of revenue (state aid) shortfalls, as a result the COVID-19 pandemic. School lunch program expenses increased from the prior year due primarily due to planned equipment purchases.

Table A-5: Revenue Sources for 2021

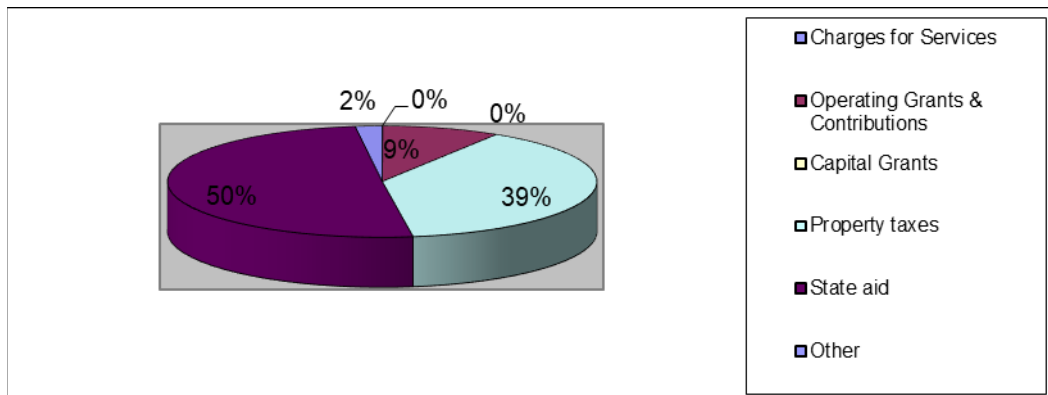
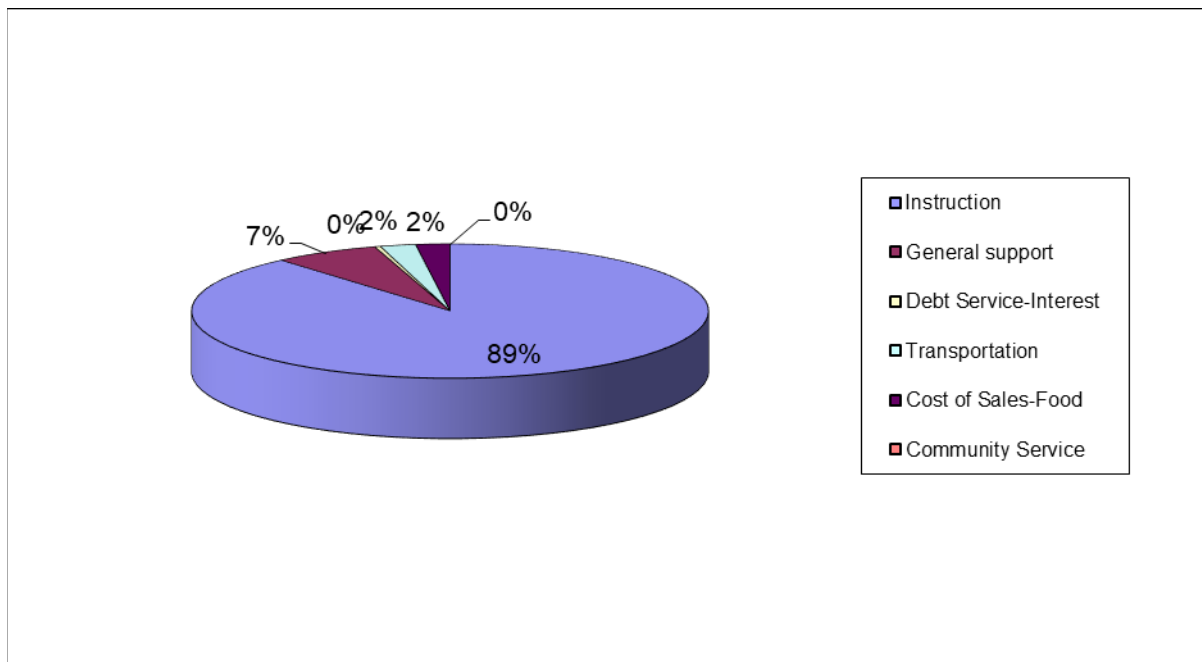


Table A-6: Expense Sources for 2021



COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the District's governmental activities totaled \$46,086,354 while total expenses were \$57,567,885. Accordingly, net position decreased by \$11,481,531.

Table A-7 presents the cost of several of the District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Table A-7 Net Cost of Governmental Activities (In Thousands of Dollars)

	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>
Instruction	\$ 24,065	\$ 21,063	\$ 25,449	\$ 22,767
Administrative & business	1,147	1,147	1,122	1,122
Operation & maintenance	2,678	2,678	2,783	2,783
Pupil transportation	1,279	1,279	1,354	1,354
Employee Benefits	24,367	24,367	23,923	23,923
Depreciation expense	2,597	2,597	1,632	1,632
Other expense	0	0	0	(386)
Food services	1,228	110	1,063	(85)
Interest expense	<u>207</u>	<u>207</u>	<u>274</u>	<u>274</u>
Decrease in net position	<u>\$ 57,568</u>	<u>\$ 53,448</u>	<u>\$ 57,600</u>	<u>\$ 53,384</u>

- The cost of all governmental activities for the year was \$53,447,993.
- The users of the District's programs financed \$15,146 of the costs.
- The federal and state government financed \$4,104,746 of the costs.
- Most of the District's net costs of \$41,966,462 were financed by taxpayers and state and federal aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

The following is a brief description of the activity in the governmental funds for 2021:

General Fund: Revenues exceeded expenditures by \$2,192,499 in the 2020-2021 year.

Special Aid Fund: By the purpose of the fund, special aid does not generate a fund balance. Revenue received is expended. Approximately \$2,974,321 was received for state and federal grants in this fund.

School Lunch Fund: The school lunch fund ended 2020-2021 fiscal year with an operating deficit of \$109,848.

Capital Projects Fund: \$550,724 was expended for capital projects for the year ended June 30, 2021. The capital project fund ended the 2020-2021 fiscal year with a deficit balance of \$764,445.

Debt Service Fund: The debt service fund ended the year with a \$1,843,837 fund balance.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

Results vs. Budget (In Thousands of Dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>En- cumbrances</u>	<u>Variance (Actual/ Budget)</u>
Revenue					
Local sources	\$ 18,584	\$ 18,584	\$ 18,650	\$ -	66
State sources	24,036	24,036	23,105	-	(931)
Federal sources	345	345	754	-	409
Transfers in	-	-	60	-	60
Total	<u>42,965</u>	<u>42,965</u>	<u>42,569</u>	<u>-</u>	<u>(396)</u>
Expenditures					
General support	4,572	4,509	3,947	44	518
Instruction	23,155	23,176	21,256	59	1,861
Transportation	1,531	1,449	1,230	-	219
Employee benefits	11,606	11,674	10,389	-	1,285
Debt service	3,496	3,496	3,495	-	-
Transfers out	5	60	55	-	5
Total	<u>44,364</u>	<u>44,364</u>	<u>40,372</u>	<u>103</u>	<u>3,888</u>
Revenue over (under) expenditures	<u>\$ (1,399)</u>	<u>\$ (1,399)</u>	<u>\$ 2,197</u>		

The general fund is the only fund for which a budget is legally adopted.

The District's net change in Fund Balance is \$2,197,448.

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CAPITAL ASSETS

As of June 30, 2021, the District had \$52,550,809 invested in buildings, computers, and other educational equipment.

Table A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
Land	\$ 1,470	\$ 1,470
Construction in progress	0	213
Buildings and improvements	50,225	51,756
Furniture, equipment, and vehicles	856	1,032
Total	<u>\$ 52,551</u>	<u>\$ 54,471</u>

DEBT ADMINISTRATION

Long-Term Liabilities

As of June 30, 2021, the District had \$9,890,000 in long-term debt. Detailed information about the District's long-term debt is included in the notes to the financial statements.

Table A-9 Outstanding Long-Term Debt (In Thousands of Dollars)

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
General obligation bonds	\$ 9,890	\$ 13,040
Other general obligation debt	0	0
Total	<u>\$ 9,890</u>	<u>\$ 13,040</u>

COHOES CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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:

In March 2020, the NYS Governor declared a state of emergency as a result of the coronavirus. NY schools were ordered to close to the public, providing only virtual instruction to students through June. The NY economy experienced extensive revenue shortfalls as a result of the COVID-19 pandemic and the Governor requested assistance from the federal government. During the 2020 summer months, schools were advised that they could see a 20% reduction in State Aid for the 2020-2021 fiscal year, absent of any federal relief. In anticipation of the state aid reductions, the District took immediate action to reduce expenses. These actions included but were not limited to: implementing a district wide spending freeze, reducing programs and staffing, and renegotiating contracts.

In the spring of 2021, school districts were advised that state aid reductions would not be necessary, as federal stimulus relief (American Rescue Plan & Coronavirus Response and Relief Supplemental Appropriations) acts would be available to help mitigate the economic harm endured from the COVID-19 pandemic. These federal stimulus funds will be available to schools beginning in fiscal year 2021 and must be expended by 2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Stacy Mackey, School Business Official
Cohoes City School District
21 Page Avenue
Cohoes, NY 12047
Office: (518) 237-0100

**COHOES CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS

Current Assets:	
Cash - Unrestricted	\$ 3,024,177
Cash - Restricted	4,628,420
Accounts Receivable	190,155
Taxes Receivable	626,609
State and Federal Aid Receivable	2,630,701
Due From Other Governments	654,943
Inventories	44,445
Capital Assets, net	52,550,809
Total Assets	64,350,259
Deferred Outflows of Resources	
Loss on Refunding	84,557
Other Post Employment Benefits	35,642,811
Pensions	12,465,749
Total Deferred Outflows of Resources	48,193,117
Total Assets and Deferred Outflows of Resources	\$ 112,543,376

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 235,529
Accrued Liabilities	5,761
Accrued Interest Payable	64,786
Due to Teachers' Retirement System	1,522,272
Due to Employees' Retirement System	136,827
Other Liabilities	37,552
Refundable Advances	30,884
Long-Term Liabilities - Due and Payable Within One Year	
Bonds	3,220,000
Unamortized Bond Premium	130,422
Term Liabilities - Due and Payable After One Year	
Bonds	6,670,000
Unamortized Bond Premium	164,195
Compensated Absences	2,587,610
Other Post Employment Benefits Payable	138,353,661
Net Pension Liability, Proportionate Share	2,595,522
Total Liabilities	155,755,021
Deferred Inflows of Resources	
Other Post Employment Benefits	4,585,185
Pensions	6,341,446
Total Deferred Inflows of Resources	10,926,631

NET POSITION

Net Investment in Capital Assets	42,450,749
Restricted	4,590,868
Unrestricted	(101,179,893)
Total Net Position	(54,138,276)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 112,543,376

See accompanying notes to financial statements.

B1.

**COHOES CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

		Program Revenues				Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>		
FUNCTIONS/PROGRAMS						
General support	\$ 3,824,948	\$ -	\$ -	\$ -		\$ (3,824,948)
Instruction	24,064,698	14,355	2,987,449	-		(21,062,894)
Pupil transportation	1,278,817	-	-	-		(1,278,817)
Employee benefits	24,367,494	-	-	-		(24,367,494)
Debt service - interest	206,807	-	-	-		(206,807)
Depreciation - unallocated	2,597,185	-	-	-		(2,597,185)
School lunch program	<u>1,227,936</u>	<u>791</u>	<u>1,117,297</u>	<u>-</u>		<u>(109,848)</u>
Total Functions and Programs	\$ <u>57,567,885</u>	\$ <u>15,146</u>	\$ <u>4,104,746</u>	\$ <u>-</u>		<u>(53,447,993)</u>
GENERAL REVENUES						
Real property taxes						17,868,020
Use of money and property						2,371
Sale (loss on sale) of property and compensation for loss						(27,563)
State sources						23,167,005
Federal sources						692,320
Miscellaneous						<u>264,309</u>
Total General Revenues						<u>41,966,462</u>
Change in Net Position						(11,481,531)
Total Net Position - Beginning of Year						<u>(42,656,745)</u>
Total Net Position - End of Year						\$ <u><u>(54,138,276)</u></u>

**COHOES CITY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets						
Cash - Unrestricted	\$ 2,901,249	\$ 7,462	\$ 4,648	\$ 300	\$ 110,518	\$ 3,024,177
Cash - Restricted	2,784,583	-	-	-	1,843,837	4,628,420
State and Federal Receivable, net	753,775	1,248,187	242,552	386,187	-	2,630,701
Due From Other Governments	654,943	-	-	-	-	654,943
Due From Other Funds	2,459,243	8,970	350,930	386,187	-	3,205,330
Other Receivables	190,155	-	-	-	-	190,155
Taxes Receivable	626,609	-	-	-	-	626,609
Inventories	-	-	44,445	-	-	44,445
Total Assets	\$ 10,370,557	\$ 1,264,619	\$ 642,575	\$ 772,674	\$ 1,954,355	\$ 15,004,780
Liabilities						
Accounts Payable	\$ 194,864	\$ 39,747	\$ 48	\$ 870	\$ -	\$ 235,529
Accrued Liabilities	-	-	5,761	-	-	5,761
Due to Other Funds	359,901	1,198,662	-	1,536,249	110,518	3,205,330
Due to Teachers' Retirement System	1,522,272	-	-	-	-	1,522,272
Due to Employees' Retirement System	136,827	-	-	-	-	136,827
Other Liabilities	37,552	-	-	-	-	37,552
Refundable Advances	-	26,210	4,674	-	-	30,884
Total Liabilities	2,251,416	1,264,619	10,483	1,537,119	110,518	5,174,155
Deferred Inflows of Resources	526,533	-	-	-	-	526,533
Total Deferred Inflows of Resources	526,533	-	-	-	-	526,533
Fund Equity (Deficiency)						
Fund Equity (Deficiency):						
Non-spendable	-	-	44,445	-	-	44,445
Restricted	2,747,031	-	-	-	1,843,837	4,590,868
Committed	-	-	-	-	-	-
Assigned	220,431	-	587,647	-	-	808,078
Unassigned	4,625,146	-	-	(764,445)	-	3,860,701
Total Fund Equity (Deficiency)	7,592,608	-	632,092	(764,445)	1,843,837	9,304,092
Total Liabilities, Deferred Inflows of Resources, and Fund Equity (Deficiency)	\$ 10,370,557	\$ 1,264,619	\$ 642,575	\$ 772,674	\$ 1,954,355	\$ 15,004,780

Amounts reported for governmental activities in the statement of net position are different due to the following:

Fund equity of the governmental funds	\$ 9,304,092
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	52,550,809
Property tax revenues are recorded as revenue when levied under the accrual basis and when "available" under the modified accrual basis	526,533
Accrued interest expense is reported under the accrual basis	(64,786)
Net Pension Liability	(2,595,522)
Net Deferred outflows related to net pension asset/liability and OPEB adjustments	48,108,560
Net Deferred inflows related to net pension asset/liability and OPEB adjustments	(10,926,631)
Net Deferred loss on refunding and unamortized bond premium	(210,060)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(9,890,000)
Other postemployment benefits payable	(138,353,661)
Compensated absences	(2,587,610)
Net Position of Governmental Activities	\$ (54,138,276)

COHOES CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>School Lunch Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues						
Real Property Taxes and Tax Items	\$ 18,355,169	\$ -	\$ -	\$ -	\$ -	\$ 18,355,169
Charges for Services	14,355	-	-	-	-	14,355
Use of Money and Property	1,830	-	-	11	530	2,371
Sale of property and compensation for loss	14,310	-	-	-	-	14,310
Miscellaneous	264,309	13,128	12,464	-	-	289,901
State Sources	23,104,869	1,427,354	36,630	-	-	24,568,853
Federal Sources	754,456	1,546,967	1,068,203	-	-	3,369,626
Sales	-	-	791	-	-	791
Total Revenues	<u>42,509,298</u>	<u>2,987,449</u>	<u>1,118,088</u>	<u>11</u>	<u>530</u>	<u>46,615,376</u>
Expenditures						
General Support	3,946,702	46,054	-	-	-	3,992,756
Instruction	21,255,710	2,808,988	-	-	-	24,064,698
Pupil Transportation	1,230,317	48,500	-	-	-	1,278,817
Employee Benefits	10,388,544	78,958	134,399	-	-	10,601,901
Debt Service	3,495,526	-	-	-	-	3,495,526
Cost of Sales	-	-	1,093,537	-	-	1,093,537
Capital Outlay	-	-	-	550,724	-	550,724
Total Expenditures	<u>40,316,799</u>	<u>2,982,500</u>	<u>1,227,936</u>	<u>550,724</u>	<u>-</u>	<u>45,077,959</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,192,499</u>	<u>4,949</u>	<u>(109,848)</u>	<u>(550,713)</u>	<u>530</u>	<u>1,537,417</u>
Other Sources and (Uses)						
Interfund Transfers, net	<u>4,949</u>	<u>(4,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)	<u>4,949</u>	<u>(4,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	<u>2,197,448</u>	<u>-</u>	<u>(109,848)</u>	<u>(550,713)</u>	<u>530</u>	<u>1,537,417</u>
Fund Equity, Beginning of Year	<u>5,395,160</u>	<u>-</u>	<u>741,940</u>	<u>(213,732)</u>	<u>1,843,307</u>	<u>7,766,675</u>
Fund Equity, End of Year	<u>\$ 7,592,608</u>	<u>\$ -</u>	<u>\$ 632,092</u>	<u>\$ (764,445)</u>	<u>\$ 1,843,837</u>	<u>\$ 9,304,092</u>

**COHOES CITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Net changes in fund balance - total governmental funds	\$	1,537,417
<p>Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities.</p>		
	Depreciation expense \$	(2,597,185)
	Capital outlays	<u>718,532</u>
		(1,878,653)
<p>The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net position. Any gain or loss resulting is recorded in the statement of activities.</p>		
		(41,873)
<p>Interest is recognized as an expense in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues.</p>		
		15,275
<p>Unearned revenue recognized when availability period is met for governmental activities. However, recognized in the prior year under full accrual.</p>		
		(487,149)
<p>Repayments of long-term debt are recorded as expenditures in the governmental funds but are recorded as liabilities in the statement of activities.</p>		
		3,150,000
<p>Bond premium is revenue and deferred losses are expenses in the governmental funds but are recorded as liabilities and assets in the statement of activities and subsequently amortized.</p>		
		123,444
<p>Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
	Other Post Employment Benefits \$	258,141
	Compensated Absences	(28,933)
	Adjustments for net pension liability - ERS	(12,059,030)
	Adjustments for net pension asset - TRS	<u>(2,070,170)</u>
		<u>(13,899,992)</u>
Change in net position - governmental activities	\$	<u><u>(11,481,531)</u></u>

**COHOES CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021**

		<u>Private Purpose Trusts</u>
ASSETS		
Cash - unrestricted	\$	-
Cash - restricted		<u>566,587</u>
Total Assets	\$	<u><u>566,587</u></u>
LIABILITIES		
Extraclassroom activity balances	\$	-
Due to other funds		-
Other liabilities		<u>-</u>
Total Liabilities	\$	<u>-</u>
NET POSITION		
Reserved for scholarships	\$	<u><u>566,587</u></u>

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

		<u>Private Purpose Trusts</u>
ADDITIONS		
Gifts and contributions	\$	-
Investment earnings		<u>278</u>
Total Additions		<u>278</u>
DEDUCTIONS		
Scholarships and awards		<u>1,250</u>
Change in Net Position		(972)
Net Position - Beginning of year		<u>567,559</u>
Net Position - End of year	\$	<u><u>566,587</u></u>

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Cohoes City School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standards-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Cohoes City School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

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

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and reporting purposes. As a result of applying this guidance and due to the administrative involvement defined in footnote 1 to paragraph 8b of GASB 84, the District accounts for these student organization funds within the General Fund.

The Extraclassroom Activity Funds

The extraclassroom activity funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 21 Page Avenue, Cohoes, New York.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

The Cohoes City School District is a component district in the Capital Region 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. There is no authority or process by which a school district can terminate its status as a BOCES component.

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(4)(b)(7) of the General Municipal Law. 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.

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

During the year ended June 30, 2021, the Cohoes City School District was billed \$3,674,176 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$1,636,151. Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

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 the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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 the 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.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

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.

I. Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Special Revenue Funds

The special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

a. Special Aid Fund

These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

b. School Lunch Fund

The school lunch fund is used to account for child nutrition activities whose funds are restricted as to use.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities and equipment.

Debt Service Fund

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

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fiduciary Funds

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

There are two classes of fiduciary funds:

a. Private Purpose Trust Funds

These funds are used to account for trust arrangements in which principal and income benefits individuals, private organizations or other governments. A scholarship is an example of a Private Purpose Trust Fund. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

b. Custodial Funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations. There are no activities that meet this criteria.

D. Basis of Accounting/Measurement Focus

General Information

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange 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 ninety days after the end of the fiscal year, except for real property taxes, which are considered to be available if collected within sixty days of the fiscal year end.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other post employment benefits, pension, 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. Refundable Advances

Refundable advances arise 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 refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on July 1, 2020. Taxes were collected in two installments commencing during the period September 1, 2020 to March 31, 2021.

II. Enforcement

Uncollected real property taxes are subsequently enforced by the City of Cohoes, in which the District is located. An amount representing uncollected real property taxes is transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within sixty days subsequent to June 30, 2021, less similar amounts collected during this period in the preceding year, are recognized as revenue; otherwise taxes receivable are offset by deferred inflows of resources.

G. Restricted Resources

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

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line item level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not located in the original budget (when permitted by law). These 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. There were no supplemental appropriations for the year ended June 30, 2021.
- e. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.
- f. Budgets are established and used for individual capital project fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

II. Encumbrances

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

III. Budget Basis of Accounting

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Cash and Investments

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

The District investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. 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. Investments, if any, are stated at fair value.

J. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and Prepaid Items

Inventories of food and supplies in the school lunch fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase.

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

A portion of the fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

L. Interfund Transfers

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

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Interfund Transfers

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

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

Refer to Note 2.A.II. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide statements:

In the District-wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) plus deferred loss on bond issuance and unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets and unamortized bond premium.

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

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

Fund statements:

In the fund basis statements there are five classifications of fund balance:

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$44,445.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of all other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Fund statements:

Reserve for Debt

This reserve was established according to General Municipal Law §6-l, and for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from unexpended bond proceeds.

Employee Benefit Accrued Liability

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

Capital Reserve

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

Workers' Compensation

According to General Municipal Law §6-j, these reserve funds must be used to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law and to pay the expenses of administering a self-insurance workers' compensation program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal years' budget.

Retirement System Contributions

According to General Municipal Law Section 6-r, these reserve funds must be used for financing retirement contributions including employee and teacher retirement. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System (TRS). During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. \$330,390 was reserved for TRS and \$270,880 was reserved for ERS.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Fund statements:

Tax Certiorari

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

Unemployment

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

Restricted fund equity includes the following:

General Fund:	
Workers' Compensation	\$ 177,731
Unemployment Insurance	42,500
Employees' Retirement System	270,880
Teachers' Retirement System	330,390
Employee Benefit Accrued Liability	418,130
Capital Reserve	971,414
Tax Certiorari Reserve	<u>535,986</u>
Total	<u>\$ 2,747,031</u>
Debt Service Fund:	
Debt Service	<u>\$ 1,843,837</u>

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2021.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Fund statements:

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted as the end of the fiscal year. Fund balance of the school lunch fund of \$587,647 is considered assigned. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$103,442. Appropriated fund balance in the General Fund amounted to \$116,989.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

Purpose of Encumbrances:

General Fund		
General Support	\$	44,204
Instruction		59,238
Pupil Transportation		-
		\$ 103,442

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. Deficit fund balances in governmental funds are classified as unassigned. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law Section 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The District exceeded the 4% limit at June 30, 2021 by \$2,879,669.

Net Position/Fund Balance

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

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Net Position/Fund Balance

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

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance (to the extent appropriated), committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as either assigned or restricted fund balance. In the General Fund, committed fund balance is determined next then assigned. The remaining amounts are reported as unassigned.

N. Post Employment Benefits

In addition to providing the retirement benefits described in Note 2.B.I, the District provides post employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these 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 cost of providing post employment benefits is shared between the District and the retired employee. See Note 4.

O. Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar 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 are as follows:

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Capital Assets

	Capitalization <u>Threshold</u>	Depreciation <u>Method</u>	Estimated Useful Life In <u>Years</u>
Buildings	\$ 500	SL	40
Building improvements	500	SL	40
Site improvements	500	SL	40
Furniture and equipment	500	SL	5-7

P. Deferred Outflows and Inflows of Resources

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

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

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Deferred Outflows and Inflows of Resources

In the Balance Sheet-Governmental Funds deferred inflow of resources arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period.

Q. Short-term Debt

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

R. Payables, Accrued Liabilities and Long-term Obligations

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

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

S. 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.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. *Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements*

- a. Total fund balance of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions.

- b. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

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

Long-Term Revenue and Expense Differences

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

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 an asset on the Statement of Net Position and depreciation expense on those items as recorded in the Statement of Activities.

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 principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

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.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. *Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements*

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.

T. *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other post employment benefits, potential contingent liabilities, net pension asset/liability, deferred outflows/inflows and the lives of long-term assets.

U. *Vested Benefits*

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death employees may receive a payment based on unused accumulated sick leave, based on contractual provisions. Unused sick leave for teachers is converted to a dollar amount and can be applied to their share of the premium of health insurance plan at retirement.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

V. *Implementation of New Accounting Standards*

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

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

V. Implementation of New Accounting Standards

GASB issued Statement 84, *Fiduciary Activities*, effective for the year ending June 30, 2021. The impact of implementing this standard is recording of extraclassroom activity funds in the General Fund.

GASB has issued Statement 90, *Accounting and Financial Reporting for Majority Equity Interest*, effective for the year ending June 30, 2021. This statement had no impact on the District.

W. Future Changes in Accounting Standards

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

GASB has issued Statement 87, *Leases*, effective for the year ending June 30, 2022.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022.

GASB has issued Statement 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement 92, *Omnibus 2020*, effective for the year ending June 30, 2022.

GASB has issued Statement 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2022.

GASB has issued Statement 94, *Public-Private and Public-Public Partnerships*, effective for the year ending June 30, 2023.

GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for the year ending June 30, 2022.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

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

Restricted Cash

General Fund

Restricted cash of \$2,049,490 consists of \$177,731 restricted for Workers' Compensation Reserve, \$42,500 restricted for Unemployment Reserve, \$418,130 restricted for Employee Benefit Accrued Liability Reserve, \$270,880 restricted for Employees' Retirement System Reserve, \$330,390 restricted for Teachers' Retirement Reserve, \$535,986 restricted for Tax Certiorari Reserve, and \$971,414 restricted for Capital Reserve, and \$37,552 restricted for extraclassroom activity funds.

Debt Service Fund

Restricted cash of \$1,843,837 is restricted for future debt service payments.

Fiduciary Funds

Restricted cash of \$566,587 restricted for Scholarships.

II. Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund receivable and payable balances at June 30, 2021 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ 2,459,243	\$ 359,901	\$ 60,272	\$ 55,323
Special Aid Fund	8,970	1,198,662	55,323	60,272
School Lunch	350,930	-	-	-
Debt Service Fund	-	110,518	-	-
Capital Projects Funds	<u>386,187</u>	<u>1,536,249</u>	<u>-</u>	<u>-</u>
Total Government Activities	<u>\$ 3,205,330</u>	<u>\$ 3,205,330</u>	<u>\$ 115,595</u>	<u>\$ 115,595</u>

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Receivables and Payables

The General Fund transfer to the Special Aid Fund is for the District's share of special education summer school programs its students attended. The Special Aid Fund transfer to the General Fund is to pay back funds supplemented by the General Fund in the prior year.

III. Capital Assets

Capital asset balances for the year ended June 30, 2021 are as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements/ Reclassific- ations</u>	<u>Balance June 30, 2021</u>
Governmental Activities				
Capital assets that are not depreciated:				
Land	\$ 1,470,419	\$ -	\$ -	\$ 1,470,419
Construction in progress	<u>212,800</u>	<u>-</u>	<u>212,800</u>	<u>-</u>
Total Nondepreciable Historical Cost	<u>1,683,219</u>	<u>-</u>	<u>212,800</u>	<u>1,470,419</u>
Capital assets that are depreciated:				
Buildings and improvements	90,818,737	841,828	-	91,660,565
Furniture and equipment	<u>3,073,084</u>	<u>89,504</u>	<u>174,214</u>	<u>2,988,374</u>
Total Depreciable Historical Cost	<u>93,891,821</u>	<u>931,332</u>	<u>174,214</u>	<u>94,648,939</u>
Less accumulated depreciation:				
Buildings and improvements	39,062,696	2,373,046	-	41,435,742
Furniture and equipment	<u>2,041,009</u>	<u>224,139</u>	<u>132,341</u>	<u>2,132,807</u>
Total Accumulated Depreciation	<u>41,103,705</u>	<u>2,597,185</u>	<u>132,341</u>	<u>43,568,549</u>
Total Capital Assets, net	<u>\$ 54,471,335</u>	<u>\$ (1,665,853)</u>	<u>\$ 254,673</u>	<u>\$ 52,550,809</u>

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Deferred Outflows and Inflows of Resources Related to Pensions

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

Year ended:	<u>ERS</u>	<u>TRS</u>
2021	\$ -	\$ 971,575
2022	(206,069)	1,997,203
2023	(92,267)	1,633,971
2024	(195,585)	986,528
2025	(626,990)	19,225
Thereafter	-	130,349

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest Rate	5.9%	7.10%
Salary Scale	4.4%	1.9% - 4.72%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.7%	2.20%
Projected Cost of Living Adjustments	1.4% annually	1.3% annually

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2.
3. **DETAIL NOTES ON ALL FUNDS**

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

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

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term expected Real rate of return*</u>
	<u>2021</u>	<u>2021</u>
Asset Class:		
Domestic equity	32%	4.05%
International equity	15	6.30
Private equity	10	6.75
Real estate	9	4.59
Absolute return strategies (1)	3	4.50
Opportunistic portfolio	4	3.63
Real assets	3	5.95
Bonds and mortgages	23	0.00
Cash	<u>1</u>	0.50
Total	<u>100%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.0% for 2021.

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

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return*</u>
	<u>2020</u>	<u>2020</u>
Asset Class:		
Domestic equity	33 %	7.1
International equity	16	7.7
Global equity	4	7.4
Real estate equity	11	6.8
Private equity	8	10.4
Domestic fixed income	16	1.8
Global bonds	2	1.0
High-yield bonds	1	3.9
Private debt	1	5.2
Real estate debt	7	3.6
Cash equivalents	<u>1</u>	0.7
Total	<u>100</u> %	

* Real rates of return are net of the long-term inflation assumption of 2.2% for 2020.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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 (liability)/asset calculated using the discount rate of 5.9% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9% for ERS and 6.10% for TRS) or 1-percentage-point higher (6.9% for ERS and 8.10% for TRS) than the current rate:

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset/(liability)	\$ (3,035,193)	\$ (10,935)	\$ 2,778,138
TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset/(liability)	\$(16,325,948)	\$(2,584,587)	\$ 8,947,897

Changes of Assumptions

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

Collective Pension Expense

Collective pension expenses includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2021 is \$237,890 for ERS and \$3,444,500 for TRS.

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 \$136,827.

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 \$1,522,272.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Other Benefits

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

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. 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. The District had no outstanding Bond Anticipation Notes at June 30, 2021.

Long-Term Debt

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 the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision 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.

Interest on long-term debt was comprised of:

Interest paid	\$ 345,526
Less interest accrued in the prior year	(80,061)
Plus interest accrued in the current year	64,786
Less amortization of premium and loss on refunding	<u>(123,444)</u>
Total Expense	<u>\$ 206,807</u>

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Long-Term Obligations

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

Changes

The changes in long-term liabilities and activity for the year ended June 30, 2021 are summarized as follows:

	<u>Balance July 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30,</u>
Serial Bonds	\$ 13,040,000	\$ -	\$ (3,150,000)	\$ 9,890,000
Accrued Interest	80,061	-	(15,275)	64,786
Compensated Absences	2,558,677	28,933	-	2,587,610
Other Postemployment Benefits (see Note 4)	135,389,563	6,057,722	(3,093,624)	138,353,661
Plus - Unamortized Bond Premium	467,751	-	173,134	294,617
Less - Deferred loss on Refunding*	<u>(134,247)</u>	<u>-</u>	<u>(49,690)</u>	<u>(84,557)</u>
 Total	 <u>\$ 151,401,805</u>	 <u>\$ 6,086,655</u>	 <u>\$ 6,382,343</u>	 <u>\$ 151,106,117</u>

Additions and deletions to compensated absences is shown net since it is impractical to determine these amounts separately.

The above liabilities are liquidated by the general fund.

* This item is recorded as a deferred outflow on the statement of net position.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

The following is a summary of maturity of indebtedness:

<u>Description of Issue</u>	<u>Original Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
<u>Serial Bonds</u>				
District Wide Reconstruction	2009	2024	0.89%	\$ 1,005,000
District Wide Reconstruction	2009	2024	0.50%	3,000,000
District Wide Reconstruction	2011	2025	0.80%	1,365,000
2017 Refunding Bond	2017	2026	5.00%	<u>4,520,000</u>
Total Serial Bonds				<u>\$ 9,890,000</u>

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2022	\$ 3,220,000	\$ 260,865	\$ 130,428	\$ 3,611,293
2023	3,305,000	172,703	85,701	3,563,404
2024	2,105,000	80,502	38,667	2,224,169
2025	795,000	48,510	26,403	869,913
2026	465,000	23,250	13,418	501,668
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,890,000</u>	<u>\$ 585,830</u>	<u>\$ 294,617</u>	<u>\$ 10,770,447</u>

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2021 \$4,970,000 of the outstanding bonds are considered defeased.

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 5% of the full valuation of taxable real estate within the District. At June 30, 2021, the District has exhausted 24% of its constitutional debt limit.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. DETAIL NOTES ON ALL FUNDS

C. Deficit Fund Balance

The Capital Projects fund had a deficit of \$764,445. This deficit will be removed when final cost reports are submitted, and transfers made from the general fund.

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

The Cohoes City School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, injuries to employees; errors and omissions; and natural disasters. 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.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

Unemployment

The District does not purchase insurance for the risk of losses for unemployment claims. Instead, the District manages its risks for these losses internally and accounts for them in the District's general fund, including provisions for unexpected and unusual claims.

The activity for the unemployment insurance reserve for the year ended June 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Changes in Estimates</u>	<u>Payments Made</u>	<u>Ending Balance</u>
Unemployment Insurance Reserve	\$ 42,496	\$ -	\$ 4	\$ 42,500

Workers' Compensation

The District participates in a risk sharing pool. The Southern Adirondack Public Schools Workers' compensation Plan, to insure workers' compensation claims. This public entity risk pool was created under Article 5. Workers' Compensation Law, to finance liability and related workers' compensation claims. Workers' Compensation benefits are provided by the plan and administration under contract with the plan's consultant.

**COHOES CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Health Insurance

The District is a member of the Capital Area Schools Health Insurance Consortium (the "Consortium"), which is a trust formed under New York State Law on May 1, 1994. The Consortium is considered a public entity risk pool which is defined as a cooperative group of governmental entities joining together to finance an exposure, liability or risk, and is tax-exempt under Section 501(c)(9) of the Internal Revenue Code. The Consortium is governed by a trust agreement and a board of trustees who execute the provisions of the Trust, as set forth in the agreement. The Consortium has contracted with Amsure Associates for third party administration.

The Consortium was formed to allow its member school districts to obtain health insurance and prescription drug benefits at lower cost through a pooled purchasing arrangement. The Consortium procures group insurance contracts with insurance carriers for medical, prescription drug and dental benefits, in which the Consortium is not liable for any medical, prescription drug or dental claims. However, the Consortium also maintains a self-insured prescription drug plan for which the individual Consortium members are liable for any claims in excess of the balances maintained by the Consortium. As of June 30, 2021, the District's prescription drug plan account balance maintained by the Consortium is approximately \$3.449 million. The Consortium also maintains an account balance for the District of approximately \$1.135 million to fund supplemental premium payments that may be required under the retrospective funding arrangement in place for one of the insurance contracts.

The District has chosen to establish a self-funded prescription drug benefit program for all eligible employees. The pharmacy benefit manager, Blue Shield of Northeastern New York, is responsible for the approval, processing and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year ending June 30. The program is accounted for in the General Fund of the District. At year-end, the District has a liability of \$-0-. With electronic claims submissions, all incurred claims are reported within two weeks, and have been included within the fiscal year's claims, effectively representing reported and unreported claims which were incurred on or before year-end, but which were not paid by the District as of that date. Claims activity is summarized below:

	<u>2020-2021</u>
Claims and administration fees	\$ 2,314,153
Claim payments	(2,314,153)
Estimated incurred but not reported as of June 30	<u>-</u>
Balance at End of Year	<u><u>\$ -</u></u>

B. Other Items

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

**COHOES CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance with Actual</u>
Revenues				
Local Sources				
Real Property Taxes	\$ 14,419,012	\$ 14,419,012	\$ 14,619,145	\$ 200,133
Other Tax Items	3,239,985	3,239,985	3,173,292	(66,693)
Nonproperty Taxes	550,475	550,475	562,732	12,257
Charges for Services	68,396	68,396	14,355	(54,041)
Use of Money and Property	10,550	10,550	1,830	(8,720)
Sale of Property and Compensation for Loss	14,030	14,030	14,310	280
Miscellaneous	281,300	281,300	264,309	(16,991)
Total Local Sources	18,583,748	18,583,748	18,649,973	66,225
State Sources	24,036,354	24,036,354	23,104,869	(931,485)
Federal Sources	345,000	345,000	754,456	409,456
Other Sources				
Interfund Transfers	-	-	60,272	60,272
Total Revenue and Other Sources	42,965,102	42,965,102	\$ 42,569,570	\$ (395,532)
Appropriated Fund Balance				
Prior year's Encumbrances	495,834	495,834		
Appropriated Reserves	785,645	785,645		
Appropriated Fund Equity	116,989	116,989		
Total Appropriated Fund Balance	1,398,468	1,398,468		
Total Revenues, Other Sources and Appropriated Fund Balance	\$ 44,363,570	\$ 44,363,570		

**COHOES CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Actual and Encumbrances</u>
Expenditures					
General Support					
Board of Education	\$ 40,338	\$ 37,418	\$ 35,663	\$ -	\$ 1,755
Central Administration	209,796	138,430	135,707	392	2,331
Finance	502,509	514,835	485,048	1,009	28,778
Staff	359,090	354,965	310,713	76	44,176
Central Services	3,061,234	2,948,364	2,471,325	42,727	434,312
Special Items	398,592	514,704	508,246	-	6,458
	<u>4,571,559</u>	<u>4,508,716</u>	<u>3,946,702</u>	<u>44,204</u>	<u>517,810</u>
Total General Support					
Instruction					
Instruction, Administration & Improvement	1,734,584	1,615,771	1,477,996	87	137,688
Teaching - Regular School	11,411,763	11,447,803	10,754,885	33,117	659,801
Programs for Students with Disabilities	6,087,141	6,179,986	5,680,464	-	499,522
Occupational Education	747,860	774,090	774,090	-	-
Teaching - Special Schools	190,038	192,653	189,668	-	2,985
Instructional Media	1,003,630	1,004,752	770,916	725	233,111
Pupil Services	1,979,493	1,960,717	1,607,691	25,309	327,717
	<u>23,154,509</u>	<u>23,175,772</u>	<u>21,255,710</u>	<u>59,238</u>	<u>1,860,824</u>
Total Instruction					
Pupil Transportation	1,530,896	1,449,425	1,230,317	-	219,108
Employee Benefits	11,606,080	11,673,808	10,388,544	-	1,285,264
Debt Service Principal	3,150,000	3,150,000	3,150,000	-	-
Debt Service Interest	345,526	345,526	345,526	-	-
	<u>16,632,502</u>	<u>16,618,759</u>	<u>15,114,387</u>	<u>-</u>	<u>1,504,372</u>
Total Other					
Total Expenditures	44,358,570	44,303,247	40,316,799	103,442	3,883,006
Other Uses					
Interfund Transfer	5,000	60,323	55,323	-	5,000
Total Expenditures and Other Uses	<u>\$ 44,363,570</u>	<u>\$ 44,363,570</u>	<u>40,372,122</u>	<u>\$ 103,442</u>	<u>\$ 3,888,006</u>
Net Change in Fund Balance			\$ 2,197,448		
Fund balance - beginning			5,395,160		
Fund balance - ending			<u>\$ 7,592,608</u>		

**COHOES CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021**

	Fiscal Year Ending * <u>2021</u>	Fiscal Year Ending * <u>2020</u>	Fiscal Year Ending * <u>2019</u>	Fiscal Year Ending * <u>2018</u>
Total OPEB Liability				
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	\$ 5,872,462	\$ 3,716,537	\$ 1,895,745	\$ 1,985,250
Interest	3,087,893	3,618,280	3,031,110	2,805,766
Changes in benefit terms	-	-	(1,709,927)	-
Difference between expected and actual experience in	-	671,819	9,881,785	-
Changes in assumptions and other inputs	(2,902,633)	29,520,675	12,476,839	(3,998,931)
Benefit payments	<u>(3,093,624)</u>	<u>(2,986,465)</u>	<u>(2,286,981)</u>	<u>(3,210,555)</u>
Net Change in Total OPEB Liability	2,964,098	34,540,846	23,288,571	(2,418,470)
Total OPEB Liability - beginning	<u>135,389,563</u>	<u>100,848,717</u>	<u>77,560,146</u>	<u>79,978,616</u>
Total OPEB Liability - ending	<u>\$ 138,353,661</u>	<u>\$ 135,389,563</u>	<u>\$ 100,848,717</u>	<u>\$ 77,560,146</u>
Covered-employee payroll	\$ 19,361,637	\$ 20,528,693	\$ 21,000,081	\$ 19,245,804
Total OPEB Liability as a percentage of covered-employee payroll	714.6%	659.5%	480.2%	403.0%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented were determined as of the measurement date.

**COHOES CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2021**

**ERS Pension Plan
Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	0.0109820%	0.0122291%	0.0123548%	0.0122696%	0.0120369%	0.0122472%
Proportionate share of the net pension liability (asset)	\$ 10,935	\$ 3,238,327	\$ 875,378	\$ 395,995	\$ 1,131,010	\$ 1,965,716
Covered-employee payroll	\$ 3,455,612	\$ 3,592,906	\$ 3,373,320	\$ 3,426,397	\$ 3,375,151	\$ 3,184,612
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	0%	90%	26%	11.56%	33.51%	61.73%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

**TRS Pension Plan
Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	0.093534%	0.095125%	0.091516%	0.089457%	0.090911%	0.000904%
Proportionate share of the net pension liability (asset)	\$ 2,584,587	\$ (2,471,347)	\$ (1,654,852)	\$ (679,959)	\$ 973,693	\$ (9,386,087)
Covered-employee payroll	\$15,139,660	\$16,028,579	\$16,011,697	\$15,102,793	\$ 14,236,368	\$14,115,318
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	17.07%	-15.42%	-10.34%	-4.50%	6.84%	-66.50%
Plan fiduciary net position as a percentage of the total pension asset	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of each Plan's measurement date as disclosed in the footnotes.

**COHOES CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021**

**ERS Pension Plan
Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 482,943	\$ 476,319	\$ 471,146	\$ 499,124	\$ 495,847	\$ 587,484
Contributions in relation to the contractually required contribution	<u>(482,943)</u>	<u>(476,319)</u>	<u>(471,146)</u>	<u>(499,124)</u>	<u>(495,847)</u>	<u>(587,484)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,455,612	\$ 3,592,906	\$ 3,373,320	\$ 3,426,397	\$ 3,375,151	\$ 3,184,612
Contributions as a percentage of covered-employee payroll	13.98%	13.26%	13.97%	14.57%	14.69%	18.45%

**TRS Pension Plan
Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,406,580	\$ 1,686,229	\$ 1,460,880	\$ 1,661,418	\$ 1,860,173	\$ 2,378,542
Contributions in relation to the contractually required contribution	<u>(1,406,580)</u>	<u>(1,686,229)</u>	<u>(1,460,880)</u>	<u>(1,661,418)</u>	<u>(1,860,173)</u>	<u>(2,378,542)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 15,139,660	\$ 16,028,579	\$ 16,011,697	\$ 15,102,793	\$ 14,236,368	\$ 14,115,318
Contributions as a percentage of covered-employee payroll	9.29%	10.52%	9.12%	11.00%	13.07%	16.85%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of each Plan's measurement date as disclosed in the footnotes.

**COHOES CITY SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET AND
SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$	43,867,736
Add: Prior year's encumbrances		<u>495,834</u>
Original Budget		44,363,570
Adjustments:		
Donations		<u>-</u>
Final Budget	\$	<u><u>44,363,570</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 [subsequent year's] voter-approved expenditure budget	\$	43,636,917
Maximum allowed (4% of 2021-22 [subsequent year's] budget)		1,745,477
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted Fund Balance:		
Committed Fund Balance	\$	-
Assigned Fund Balance		220,431
Unassigned Fund Balance		<u>4,625,146</u>
Total Unrestricted Fund Balance		<u><u>4,845,577</u></u>
Less:		
Appropriated Fund Balance		116,989
Encumbrances included in Committed and Assigned Fund Balance		<u>103,442</u>
Total Adjustments		<u><u>220,431</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	<u><u>4,625,146</u></u>
Actual percentage		10.60%

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

COHOES CITY SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2021	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Transfer to Debt Service		Total
Smart Schools	\$ 1,374,517	\$ 1,374,517	\$ 519,031	\$ -	\$ 519,031	\$ 855,486	\$ -	\$ 519,031	\$ 548	\$ -	\$ 519,579	\$ 548
Pre Ref May 2022	-	-	-	6,789	6,789	-	-	-	-	-	-	(6,789)
Harmony Hill Boiler SED #: 0010-010	452,947	452,947	-	359,495	359,495	-	-	-	-	-	-	(359,495)
Middle School Reconstruction SED#: 001-021	547,053	547,053	457,935	184,440	642,375	(95,322)	-	-	243,666	-	243,666	(398,709)
Totals	\$ 2,374,517	\$ 2,374,517	\$ 976,966	\$ 550,724	\$ 1,527,690	\$ 760,164	\$ -	\$ 519,031	\$ 244,214	\$ -	\$ 763,245	\$ (764,445)

**COHOES CITY SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
 JUNE 30, 2021**

Capital Assets, Net		\$	52,550,809
Add:			
Deferred loss on bond issuance	\$	<u>84,557</u>	84,557
Deduct:			
Short-term portion of bonds payable		(3,220,000)	
Long-term portion of bonds payable		(6,670,000)	
Unamortized bond premium		<u>(294,617)</u>	<u>(10,184,617)</u>
Net Investment in Capital Assets		\$	<u><u>42,450,749</u></u>

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

To the President and Members
of the Board of Education of
Cohoes City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Cohoes City School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated October 15, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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, however material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002 and 2021-003.

District's Response to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide 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.

Marvin and Company, P.C.

Latham, NY
October 15, 2021

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

To the President and Members of the Board of Education of the
Cohoes City School District

Report on Compliance for Each Major Federal Program

We have audited the Cohoes City School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Cohoes City School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Cohoes City School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Marvin and Company P.C.

Latham, NY
October 15, 2021

**COHOES CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Passed Through To Subrecipient</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Education</u>				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-21-0020	\$ -	\$ 580,428
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-21-0020	-	<u>37,461</u>
Total Special Education Cluster				<u>617,889</u>
Title I Grants to Local Educational Agencies	84.010	0021-21-0025	-	589,687
Title I Grants to Local Educational Agencies	84.010	0021-20-0025	-	44,525
Title I Grants to Local Educational Agencies - School Improvement Grant	84.010	0011-21-2044	-	54,621
Title I Grants to Local Educational Agencies - School Improvement Grant	84.010	0011-20-2044	-	<u>16,633</u>
Total Title I Grants to Local Educational Agencies				<u>705,466</u>
Improving Teacher Quality State Grants	84.367	0147-21-0025	-	101,764
Improving Teacher Quality State Grants	84.367	0147-20-0025	-	<u>2,162</u>
Total Improving Teacher Quality State Grants				<u>103,926</u>
Title IV Part A-Student Support and Academic Enrichment Program	84.424A	0204-21-0025	-	11,767
Title IV Part A-Student Support and Academic Enrichment Program	84.424A	0204-20-0025	-	<u>45,782</u>
Total Title IV Part A-Student Support and Academic Enrichment Program				<u>57,549</u>
Education for Homeless Children and Youth	84.196	0212-20-3101	-	62,137
Education Stabilization Funds				
COVID-19 Governor's Emergency Education Relief	84.425C	5895-21-0025	220	86,890
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-0025	<u>1,296</u>	<u>512,712</u>
Total Education Stabilization Funds			<u>1,516</u>	<u>599,602</u>
Total U.S. Department of Education			<u>1,516</u>	<u>2,146,569</u>

**COHOES CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Passed Through To Subrecipient</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
COVID-19 Summer Food Service Program	10.559	Not Applicable	\$ -	\$ 1,013,701
Food Distribution	10.555	Not Applicable	-	<u>54,502</u>
Total Child Nutrition Cluster			<u>-</u>	<u>1,068,203</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>1,068,203</u>
Total Expenditures of Federal Awards			<u>\$ 1,516</u>	<u>\$ 3,214,772</u>

COHOES CITY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the Cohoes City School District (District), which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

The Cohoes City School District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2021, the District received food commodities totaling \$54,502.

5. INDIRECT COST RATE

The Cohoes City School District did not elect to use the 10% de minimus cost rate.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is to charge federal award programs with indirect costs based on a rate established by New York State.

**COHOES CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? X yes _____ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555 and 10.559	Child Nutrition Cluster
84.425C and 84.425D	COVID-19 Governor's Emergency Education Relief and COVID-19 Elementary and Secondary School Emergency Relief Education Stabilization Funds
84.027 and 84.173	IDEA Special Education Cluster

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

Auditee qualified as low-risk auditee? _____ yes X no

SECTION II: FINANCIAL STATEMENT FINDINGS

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2021-001 Compliance with Net Cash Resources and Excess Fund Balance for Child Nutrition

Statement of Condition: The fund balance in the school lunch fund exceeds the allowable limit by approximately \$219,000.

**COHOES CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

SECTION II: FINANCIAL STATEMENT FINDINGS

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2021-001 *Criteria:* According to the code of federal regulations section CFR §210.14 (b) the school food authority shall limit its net cash resources to no more than 3 months worth of average expenditures.

Cause: The cumulative effect of expenditures being less than revenue for a number of years.

Effect of Condition: The District was not in compliance with federal guidelines.

Context: As part of audit procedures, compliance with this federal guideline is reviewed. Compliance with Net Cash Resources and Excess Fund Balance for Child Nutrition.

Recommendation: The District should follow federal guidelines to resolve excess fund balance. The District is required to submit a plan to the Child Nutrition Program Administration detailing how the District will reduce the fund balance to an acceptable level within one year and also what the District will do to ensure that an excess fund balance does not occur in the future.

Views of responsible officials and planned corrective actions: The District has submitted a plan to the Child Nutrition Program Administration for the 2021 fiscal year. S. Mackey is responsible with an anticipated completion date of 6/30/2022.

2021-002 Compliance with New York State Real Property Tax Law

Statement of Condition: The unassigned fund equity of the General Fund exceeds 4% of the 2021-2022 General Fund Budget by approximately \$2,879,000.

Criteria: NYS Real Property Tax Law Section 1318 limits the amount of unassigned fund equity a District can have to no more than 4% of the General Fund budget for the ensuing fiscal year.

Cause: The cumulative effect of expenditures being under budget.

Effect of Condition: The District was not in compliance with NYS Real Property Tax Law.

Context: As part of audit procedures compliance with the NYS Real Property Tax Law Section 1318 limit is reviewed.

Recommendation: The District should monitor fund equity and use the excess fund equity in future years.

**COHOES CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

SECTION II: FINANCIAL STATEMENT FINDINGS

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2021-002 *Views of responsible officials and planned corrective actions:* In the summer of 2020 NYS schools were advised that as a result of the economic impact on NYS due to the COVID-19 pandemic, the potential for up to 20% could be withheld from otherwise scheduled State Aid revenues, absent of any federal relief. The District, being dependent on State Aid, made reductions to programs and operations for the anticipated revenue shortfall. These reductions created a temporary operating surplus, as NYS schools were advised in the spring of 2021 that federal stimulus funds would be available. The District will review its long range financial plan & plan for use of reserves and make the appropriate adjustments. S. Mackey is responsible with an anticipated completion date of 6/30/2022.

2021-003 Compliance with New York State Regulations

Statement of Condition: District payroll was not certified for all pay periods of the 2020/2021 fiscal year.

Criteria: Section 170.2 of the Regulations of the Commissioner of Education requires that payroll be certified by an officially designated individual.

Cause: Three out of twenty-six payroll registers reviewed were not certified by the designated individual.

Effect of Condition: Noncompliance with Education Law and the possibility that unauthorized pay occurring during the year.

Context: As part of audit procedures the compliance with New York State Regulations is reviewed.

Recommendation: The District should ensure that each payroll is being reviewed and certified as indicated by signoff of the designated individual.

Views of responsible officials and planned corrective actions: The District experienced turnover within the role of Superintendent of Schools. This individual is authorized to certify the bi-weekly payrolls. Each bi-weekly payroll is reviewed and audited by both the school business official and the claims auditor – this process is documented and was tested by Marvin & Co auditors. A successor was named for the Superintendent of Schools and the certification process was immediately implemented. S. Mackey is responsible with an anticipated completion date of 6/30/2022.

**COHOES CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs related to Federal awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

None

**COHOES CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021**

Summary Schedule of Prior Audit Findings

2020-001 Audit Adjustments

Status: This comment was corrected and therefore not repeated.

2020-002 Compliance with Net Cash Resources and Excess Fund Balance for Child Nutrition

Status: This comment is repeated as 2021-001.

2020-003 Compliance with New York State Real Property Tax Law

Status: This comment is repeated as 2021-002.