

**FAYETTEVILLE-MANLIUS  
CENTRAL SCHOOL DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**June 30, 2019**

# FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

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grossman st. amour  
CERTIFIED PUBLIC ACCOUNTANTS PLLC

**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Fayetteville-Manlius Central School District  
Fayetteville-Manlius, New York

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fayetteville-Manlius Central School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fayetteville-Manlius Central School District's basic financial statements as listed in the table of contents. We also have audited each fiduciary fund type of Fayetteville-Manlius Central School District, as of and for the year ended June 30, 2019, as displayed in the Fayetteville-Manlius Central School District's basic financial statements.

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

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

***Auditor's Responsibility***

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, as well as each fiduciary fund type of Fayetteville-Manlius Central School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of funding progress other postemployment benefit plans, schedule of revenues, expenditures and changes in fund balance budget (non-GAAP basis) and actual – general fund, schedule of district contributions and schedule of district proportionate share of net pension asset (liability) on pages 4-12 and 54-59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fayetteville-Manlius Central School District's basic primary government financial statements. The schedule of change from adopted to final budget and the real property tax limit, the schedule of project expenditures and financing resources – capital projects fund and investment in capital assets, net of related debt (the supplementary information) on pages 60-62 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2019 on our consideration of Fayetteville-Manlius Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fayetteville-Manlius Central School District's internal control over financial reporting and compliance.

*Grossman St Amour CPAs*

Syracuse, New York  
October 7, 2019

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management's Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

Fayetteville-Manlius Central School District (the District) is a K-12 public school District located in Manlius, New York. Generally accepted accounting principles (GAAP) according to Government Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34) require the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements. GASB 34 also requires presentation of the Management's Discussion and Analysis. Management's Discussion and Analysis is intended to be the District's discussion and analysis of the financial results for the fiscal year ended June 30, 2019 based upon currently known facts, decisions, or conditions and both sets of financial statements.

Overview of The Financial Statements

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The 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 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.

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management’s Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

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

		Fund Financial Statements	
	District-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund equity</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management's Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

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, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has 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 that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, reconciliation schedules are provided on pages 16 and 18 that explain the relationship (or differences) between them.



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management's Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

Fund Financial Statements (continued)

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

Financial Analysis of the District as a Whole (all figures in thousands of dollars)

Figures A-2 and A-3 provide a summarized overview of the District's financial status and change for the current fiscal year as of June 30, 2019 and a comparison to fiscal year ended June 30, 2018. Net position increased \$697 over the prior year.

Figure A-2  
Summary of Net Position (in thousands of dollars)

	2019	2018	Increase (Decrease) from Fiscal 2018
Current and Other Assets	\$ 30,623	\$ 30,420	\$ 203
Capital Assets	61,126	60,618	508
Net Pension Asset	3,428	1,448	1,980
Total Assets	<u>95,177</u>	<u>92,486</u>	<u>2,691</u>
Deferred Outflows of Resources	<u>23,238</u>	<u>25,232</u>	<u>(1,994)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 118,415</u>	<u>\$ 117,718</u>	<u>\$ 697</u>
Total Debt	\$ 22,561	\$ 24,275	\$ (1,714)
Other Long-Term Liabilities	171,968	183,533	(11,565)
Net Pension Liability	2,319	990	1,329
Other Liabilities	3,306	2,577	729
Total Liabilities	<u>200,154</u>	<u>211,375</u>	<u>(11,221)</u>
Deferred Inflow of Resources	<u>42,091</u>	<u>30,281</u>	<u>11,810</u>
Net Position			
Net Investment in Capital Assets	38,588	36,359	2,229
Restricted	12,591	9,930	2,661
Unrestricted	<u>(175,009)</u>	<u>(170,227)</u>	<u>(4,782)</u>
Total Net Position	<u>(123,830)</u>	<u>(123,938)</u>	<u>108</u>
Total Liabilities, Inflows, and Net Position	<u>\$ 118,415</u>	<u>\$ 117,718</u>	<u>\$ 697</u>

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Financial Analysis of the District as a Whole (all figures in thousands of dollars) (continued)

Figure A-3

Changes in Net Position from Operating Results (in thousands of dollars)

	<u>Governmental Activities</u>		Increase (Decrease) from Fiscal 2018
	<u>2019</u>	<u>2018</u>	
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$ 1,416	\$ 1,326	\$ 90
Operating Grants and Contributions	1,344	1,251	93
General Revenues			
Property Taxes	56,283	53,861	2,422
State Formula Aid	19,362	19,795	(433)
Interest Earnings	404	229	175
Miscellaneous	7,593	7,593	-
Total Revenues	<u>86,402</u>	<u>84,055</u>	<u>2,347</u>
<u>Expenses</u>			
General Support	11,268	10,741	527
Instruction	65,758	64,840	918
Pupil Transportation	7,133	6,960	173
Community Service	16	13	3
Debt Service	724	932	(208)
Cost of Sales - Food	1,395	1,347	48
Total Expenses	<u>86,294</u>	<u>84,833</u>	<u>1,461</u>
Increase in Net Position	<u>\$ 108</u>	<u>\$ (778)</u>	<u>\$ 886</u>

In general, expenses and revenues increased causing an increase in Net Position equal to \$886.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management's Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

Financial Analysis of the District as a Whole (all figures in thousands of dollars) (continued)

Figure A-4  
Capital Assets Net of Depreciation

	2019	2018	Change from 2018
Land	\$ 413	\$ 413	\$ -
Construction in Process	4,876	852	4,024
Buildings	16,587	19,006	(2,419)
Site Improvements	34,659	35,560	(901)
Equipment and Software	3,075	3,024	51
Buses	1,516	1,763	(247)
Total	\$ 61,126	\$ 60,618	\$ 508

Figure A-5 illustrates District Fund Balances.

Figure A-5  
Governmental Fund Balances at June 30, 2019 (in thousands of dollars)  
Fund Balances

General	Special Aid	School Lunch	Turf Replacement	Capital 2015 Ref	Capital WW Pre Ref	Capital Non-Major		
\$ 17,476	\$ (202)	\$ 200	\$ 101	\$ 120	\$ 6,053	\$ (1,063)		

The District sustains financial health through sound business practices that include continued certification under ISO 9001. The District just completed a successful transition to ISO 9001:2015 from ISO 9001:2008 in the 2017-18 school year. These new requirements focus heavily on risk management and risk opportunities.

Budget management is evidenced by the District's strong commitment to maintaining the maximum limits for unassigned fund balance. The District also has created and maintained reserves to offset future liabilities that may arise which include tax certiorari, unemployment, and workers' compensation. For 2018-19, the District operations resulted in an unassigned general fund balance of \$3,422. The District assigned \$750 of the general fund balance to the 2019-20 budget.

Special Aid Fund consists of District federal grants and special education summer school. Funding for special education summer school may take up to three years for reimbursement. Since this time frame exceeds the fund's ninety-day period for recording of a receivable, the revenue is not shown to offset the negative \$202 fund balance.

A Turf Replacement fund was established in 2011-12 in the amount of \$100 and currently has a \$101 fund balance.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT  
Management’s Discussion & Analysis (MD&A)  
For the Year Ended June 30, 2019**

A Capital Referendum was approved in May 2015 for \$2,569. A second Capital Referendum was approved in May 2017 for a scope modification related to the May 2015 project which allocated unspent funds from the May 2015 Capital Referendum for \$817. The current fund balance is \$120 for this project.

The December 2017 Capital Referendum was approved in December 2017 for \$42,000 and includes renovations at Enders Road, High School and Wellwood Middle School. There is currently a fund balance of \$6,053 due to the capital reserve transfer of \$9,420 less expenses incurred for approved projects as of June 30, 2019.

Capital Non-Major shows a negative fund balance of \$1,063. This fund consists principally of approved capital transfer expenditures and school bus purchases. The District, through a vehicle replacement plan combined with inspection reports, determines the required number of school buses each year. Bonds or bond anticipation notes finance these buses. The District obtained a bus bond anticipation note for the purchase of their buses in 2015-16 and 2016-17. The District obtained a bus bond for the 2017-18 and the 2018-19 purchase of buses and renewed bus bond anticipation notes for the buses previously purchased. The district will receive one-fifth of the applicable state aid each year based on the current transportation aid ratio.

General Fund Budgetary Highlights

Figure A-5 compares the District’s performance for the general fund for both revenues and expenditures.

Figure A-5

General Fund Expenditure and Revenues Analysis for 2018-19 (in thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Final Actual</u>	<u>Variance Final Budget to Original Budget</u>	<u>Variance Final Actual to Final Budget</u>
<u>Expenses</u>	\$82,899	\$84,106	\$81,052	1.5%	(3.6%)
<u>Revenues</u>	\$82,149	\$82,209	\$83,420	0.1%	1.5%

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management's Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

Total Expenses

The 1.5% increase from Original Budget to the Final Budget is primarily due to the following:

1. Encumbrances, a routine business cycle item, of \$1,147 were applied for the 2017-18 school year to be paid in the 2018-19 school year. These encumbrances represent orders received but not billed at the close of the fiscal year. Additional budget revisions were made for a special legislative grant of \$45 and athletic gate proceeds of \$15.

The final actual expenditure results compared to the final budget shows the final actual being \$1,847 below the final budget. The 3.6% reduced expenditure was principally caused by the following adjustments:

1. Encumbrances, a routine business cycle item, of \$712 were applied for the 2018-19 school year to be paid in the 2019-20 school year.
2. Fund balance is generated through worse case projections with staff and health insurance benefits. Available funds are transferred to plant maintenance to perform maintenance on necessary projects to improve student and staff safety.

Capital Asset and Debt Administration

In general, the New York State Legislature has authorized the power and procedure for the District to borrow and incur indebtedness by enactment of the Local Finance Law, subject to the constitutional provisions set forth. For this District, the maximum limit on borrowing is generally capped at 10% of the full valuation of the taxable real property in the District. On September 1, 2018, when property taxes were levied for the 2018-19 school year, that valuation was (in thousands) \$2,399,697 for an approximate statutory debt limit of \$239,970. The District's current outstanding indebtedness is \$23,334 or .90%, which is well below statutory requirements.

Factors bearing on the District's Future

Revenue: The New York State Legislature has enacted legislation that has established a "property tax cap" which limits the increase in the tax levy based upon calculation factors in growth in taxable value and inflation (CPI). This limitation could severely limit the amount of tax levy that the district can collect. However, the District continues to see growth in taxable values, which allows for increases in the tax levy without major effect on tax rates. In addition, state aid revenue is at the discretion of the New York State Legislature and when the NYS economy is in distress, state aid revenues may be flat or even decrease.

Expenditures: The District continues to employ a conservative budgeting practice, which includes funding for contingency spending in case of significant and unforeseen expenditures arising during the course of the fiscal year. The District does not anticipate any changes in educational program or educational standards that would adversely affect the strong financial position of the district. Debt service expenditures are budgeted and have not had any negative impact on the financial condition of the District. The District continues to underspend the annual budget due to fiscal restraint and good business practice.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Management’s Discussion & Analysis (MD&A)**  
**For the Year Ended June 30, 2019**

Balance Sheet: The District has a healthy balance sheet with adequate reserve funds established to cover future liabilities, including any future litigation against the District. The District also has a voter approved capital reserve fund to help offset the local share of any future capital projects and to reduce the amount to be financed.

Future Capital Projects: There are no future capital project plans at this time.

Enrollment: The District’s enrollment has been fairly steady over the past several years in the District:

<u>Year</u>	<u>K-12 Student Enrollment</u>
2013-14	4,236
2014-15	4,170
2015-16	4,214
2016-17	4,226
2017-18	4,236
2018-19	4,231
2019-20	4,246 <i>projected</i>
2020-21	4,260 <i>projected</i>

Contacting The District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, 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, contact the Business Office, Fayetteville-Manlius Central School District, Manlius, New York.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2019

<b>ASSETS</b>	
Cash	
Unrestricted	\$ 15,760,189
Restricted	12,591,183
Receivables	
State and federal aid	1,068,514
Due from other governments	983,855
Other	183,513
Inventories	35,380
Capital assets, net	61,126,020
Net pension asset-proportionate share	3,428,592
Total assets	<u>95,177,246</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other postemployment benefits	3,861,250
Pensions	19,376,616
Total assets and deferred outflows of resources	<u>\$ 118,415,112</u>
<b>LIABILITIES</b>	
Payables	
Accounts payable	\$ 2,629,980
Accrued liabilities	248,452
Due to other funds	332,619
Retainage payable	-
Interest payable	31,567
Notes payable	
Bond anticipation	775,281
Deferred credits	
Deferred revenue	63,484
Long-term liabilities	
Due and payable within one year	
Bonds payable	1,989,005
Installment purchase debt payable	219,977
Due to employees retirement system	356,759
Due to teachers' retirement system - employee	173,416
Due to teachers' retirement system - employer	3,327,020
Compensated absences payable	202,645
Other postemployment benefits payable	3,730,040
Due and payable after one year	
Bonds payable	17,005,000
Installment purchase debt payable	809,969
Compensated absences payable	2,176,848
Other postemployment benefits payable	162,001,510
Premium on bond refunding	1,762,013
Net pension liability - proportionate share	2,318,927
Total Liabilities	<u>200,154,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Other postemployment benefits	36,764,993
Deferred amount on defeasance	55,000
Pensions	5,270,873
Total deferred inflows of resources	<u>42,090,866</u>
<b>NET POSITION</b>	
Net investment in capital assets	38,588,208
Restricted	12,591,183
Unrestricted deficit	<u>(175,009,657)</u>
Total net position	<u>(123,830,266)</u>
Total liabilities and net position	<u>\$ 118,415,112</u>

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2019**

	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
			<u>Charges for Services</u>	<u>Operating Grants</u>	
<b>FUNCTIONS/PROGRAMS</b>					
General support	\$ (8,690,532)	\$ (2,577,528)	\$ -	\$ -	\$ (11,268,060)
Instruction	(46,776,907)	(18,979,983)	162,818	1,190,297	(64,403,775)
Pupil transportation	(5,258,801)	(1,874,567)	-	-	(7,133,368)
Community service	(15,991)	-	-	-	(15,991)
Employee benefits	(23,432,078)	23,432,078	-	-	-
Debt service	(724,186)	-	-	-	(724,186)
School lunch program	(1,395,384)	-	1,252,889	154,014	11,519
	<u>\$ (86,293,879)</u>	<u>\$ -</u>	<u>\$ 1,415,707</u>	<u>\$ 1,344,311</u>	<u>(83,533,861)</u>
<b>GENERAL REVENUES</b>					
Real property taxes	\$ 56,167,635				
Other tax items	5,645,518				
Nonproperty taxes	149,753				
Use of money and property	527,056				
Sale of property and compensation for loss	205,063				
Miscellaneous	1,166,309				
State sources	19,362,213				
Medicaid reimbursement	418,756				
	<u>83,642,303</u>				<u>83,642,303</u>
Total General Revenues					<u>83,642,303</u>
Change in Net Assets (Deficiency)					108,442
Total Net Position - Beginning of year, as restated					<u>(123,938,708)</u>
Total Net Position - End of year					<u>\$ (123,830,266)</u>

See notes to basic financial statements



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
**June 30, 2019**

	General	Special Aid	School Lunch	Special Revenue - Turf Replacement	Capital 2015 Referendum	Capital Dec 2017 Referendum	Non-Major Capital Projects	Total Governmental Funds
<b>ASSETS</b>								
Cash								
Unrestricted	\$ 6,915,691	\$ 1,762	\$ 410,137	\$ 100,992	\$ 271,007	\$ 7,017,365	\$ 1,043,235	\$ 15,760,189
Restricted	12,591,183	-	-	-	-	-	-	12,591,183
Receivables								
Due from other funds	1,571,639	-	-	-	1,191	-	83,877	1,656,707
Accounts receivable	171,780	-	11,733	-	-	-	-	183,513
State and federal aid	739,111	261,341	11,885	-	-	-	56,177	1,068,514
Due from other governments	983,855	-	-	-	-	-	-	983,855
Inventories	-	-	35,380	-	-	-	-	35,380
Total assets	<u>\$ 22,973,259</u>	<u>\$ 263,103</u>	<u>\$ 469,135</u>	<u>\$ 100,992</u>	<u>\$ 272,198</u>	<u>\$ 7,017,365</u>	<u>\$ 1,183,289</u>	<u>\$ 32,279,341</u>
<b>LIABILITIES</b>								
Payables								
Accounts payable	\$ 1,121,436	\$ 33,404	\$ 12,224	\$ -	\$ 11,838	\$ 685,749	\$ 765,329	\$ 2,629,980
Accrued liabilities	238,634	-	9,818	-	-	-	-	248,452
Retainage payable	-	-	-	-	-	-	-	-
Due to other funds	248,928	431,743	183,633	-	140,338	278,665	706,019	1,989,326
Bond interest and matured bonds	31,567	-	-	-	-	-	-	31,567
Due to employees' retirement system	356,759	-	-	-	-	-	-	356,759
Due to teachers' retirement system - employee	173,416	-	-	-	-	-	-	173,416
Due to teachers' retirement system - employer	3,327,020	-	-	-	-	-	-	3,327,020
Notes payable								
Bond anticipation	-	-	-	-	-	-	775,281	775,281
Deferred credits								
Deferred revenues	-	-	63,484	-	-	-	-	63,484
Total liabilities	<u>5,497,760</u>	<u>465,147</u>	<u>269,159</u>	<u>-</u>	<u>152,176</u>	<u>964,414</u>	<u>2,246,629</u>	<u>9,595,285</u>
<b>FUND BALANCES</b>								
<b>Nonspendable:</b>								
Reserve for Inventory	-	-	35,380	-	-	-	-	35,380
<b>Restricted For:</b>								
Reserved for Debt Service	151,863	-	-	-	-	-	-	151,863
Reserved for Tax Certiorari	2,048,327	-	-	-	-	-	-	2,048,327
Reserved for Retirement Contribution	1,677,035	-	-	-	-	-	-	1,677,035
Reserved for Employee Benefit Accrued Liabilities	2,379,493	-	-	-	-	-	-	2,379,493
Reserved for Worker's Compensation	1,482,675	-	-	-	-	-	-	1,482,675
Reserved for Unemployment Insurance	211,327	-	-	-	-	-	-	211,327
Reserved for Capital - 2017	4,640,463	-	-	-	-	-	-	4,640,463
<b>Restricted For - Other:</b>								
Special Aid	-	-	-	-	-	-	-	-
<b>Assigned To:</b>								
Assigned appropriated fund balance	750,000	-	-	100,992	120,022	6,052,951	(1,063,340)	5,960,625
Assigned unappropriated fund balance	712,211	-	-	-	-	-	-	712,211
<b>Unassigned:</b>								
Unassigned fund balance	3,422,105	(202,044)	164,596	-	-	-	-	3,384,657
Total fund balances	<u>17,475,499</u>	<u>(202,044)</u>	<u>199,976</u>	<u>100,992</u>	<u>120,022</u>	<u>6,052,951</u>	<u>(1,063,340)</u>	<u>22,684,056</u>
Total liabilities and fund balances	<u>\$ 22,973,259</u>	<u>\$ 263,103</u>	<u>\$ 469,135</u>	<u>\$ 100,992</u>	<u>\$ 272,198</u>	<u>\$ 7,017,365</u>	<u>\$ 1,183,289</u>	<u>\$ 32,279,341</u>

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2019**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash				
Unrestricted	\$ 15,760,189	\$ -	\$ -	\$ 15,760,189
Restricted	12,591,183	-	-	12,591,183
Accounts receivable	183,513	-	-	183,513
Due from other funds	1,656,707	-	(1,656,707)	-
Due from other governments	2,052,369	-	-	2,052,369
Inventories	35,380	-	-	35,380
Land, buildings and equipment (net)	-	61,126,020	-	61,126,020
Net pension asset - proportionate share	-	3,428,592	-	3,428,592
	<u>\$ 32,279,341</u>	<u>\$ 64,554,612</u>	<u>\$ (1,656,707)</u>	<u>\$ 95,177,246</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other postemployment benefits	-	3,861,250	-	3,861,250
Pensions	-	19,376,616	-	19,376,616
	<u>\$ 32,279,341</u>	<u>\$ 87,792,478</u>	<u>\$ (1,656,707)</u>	<u>\$ 118,415,112</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,629,980	\$ -	\$ -	\$ 2,629,980
Accrued liabilities	248,452	-	-	248,452
Retainage payable	-	-	-	-
Bonds payable	-	18,994,005	-	18,994,005
Installment purchase debt	-	1,029,946	-	1,029,946
Bond anticipation notes payable	775,281	-	-	775,281
Interest payable	31,567	-	-	31,567
Due to other funds	1,989,326	-	(1,656,707)	332,619
Due to employee's retirement system	356,759	-	-	356,759
Due to teachers' retirement system - EE	173,416	-	-	173,416
Due to teachers' retirement system - ER	3,327,020	-	-	3,327,020
Deferred credits				
Deferred revenue	63,484	-	-	63,484
Compensated absences	-	2,379,493	-	2,379,493
Postemployment benefits	-	165,731,550	-	165,731,550
Premium on Bond Refunding	-	1,762,013	-	1,762,013
Net pension liability-proportionate share	-	2,318,927	-	2,318,927
	<u>9,595,285</u>	<u>192,215,934</u>	<u>(1,656,707)</u>	<u>200,154,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other postemployment benefits	-	36,764,993	-	36,764,993
Defeasance gain	-	55,000	-	55,000
Pensions	-	5,270,873	-	5,270,873
<b>FUND EQUITY\NET POSITION</b>				
Total Fund Equity\Net Position	<u>22,684,056</u>	<u>(146,514,322)</u>	<u>-</u>	<u>(123,830,266)</u>
	<u>\$ 32,279,341</u>	<u>\$ 87,792,478</u>	<u>\$ (1,656,707)</u>	<u>\$ 118,415,112</u>

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Equity - Governmental Funds**  
**For the Year Ended June 30, 2019**

	General	Special Aid	School Lunch	Special Revenue - Turf Replacement	Capital March 2015 Ref	Capital Dec 2017 Referendum	Non-Major Capital Projects	Total Governmental Funds
<b>REVENUES</b>								
Real property taxes	\$ 56,167,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,167,635
Other tax items	5,645,518	-	-	-	-	-	-	5,645,518
Nonproperty taxes	149,753	-	-	-	-	-	-	149,753
Charges for services	162,818	-	-	-	-	-	-	162,818
Use of money and property	526,905	-	-	151	-	-	-	527,056
Sale of property and compensation for loss	205,063	-	-	-	-	-	-	205,063
Miscellaneous	1,026,734	-	26,285	-	581	136,412	2,582	1,192,594
State sources	19,113,299	192,737	6,674	-	-	-	56,177	19,368,887
Medicaid reimbursement	418,756	-	-	-	-	-	-	418,756
Federal sources	-	1,190,297	117,705	-	-	-	-	1,308,002
Surplus food	-	-	29,635	-	-	-	-	29,635
Sales - school lunch	-	-	1,226,604	-	-	-	-	1,226,604
<b>Total Revenues</b>	<b>83,416,481</b>	<b>1,383,034</b>	<b>1,406,903</b>	<b>151</b>	<b>581</b>	<b>136,412</b>	<b>58,759</b>	<b>86,402,321</b>
<b>EXPENDITURES</b>								
General support	8,140,513	14,464	-	-	-	-	32,971	8,187,948
Instruction	42,627,967	1,377,282	-	-	-	-	-	44,005,249
Pupil transportation	4,276,235	75,443	-	-	-	-	-	4,351,678
Community service	15,991	-	-	-	-	-	-	15,991
Employee benefits	22,009,140	21,997	250,020	-	-	-	-	22,281,157
Debt service								
Principal	2,173,422	-	-	-	-	-	-	2,173,422
Interest	908,899	-	-	-	-	-	-	908,899
Cost of sales	-	-	554,843	-	-	-	-	554,843
Other expenditures	-	-	590,521	-	-	-	-	590,521
Capital outlay	334,730	-	-	-	603,913	2,906,710	1,281,772	5,127,125
<b>Total Expenditures</b>	<b>80,486,897</b>	<b>1,489,186</b>	<b>1,395,384</b>	<b>-</b>	<b>603,913</b>	<b>2,906,710</b>	<b>1,314,743</b>	<b>88,196,833</b>
Excess (Deficiency) of Revenues Over Expenditures	2,929,584	(106,152)	11,519	151	(603,332)	(2,770,298)	(1,255,984)	(1,794,512)
<b>OTHER FINANCING SOURCES AND USES</b>								
BAN Proceeds	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	639,005	639,005
Premium on Bond	-	-	-	-	-	-	-	-
Operating transfers in	3,163	115,331	-	-	-	-	450,000	568,494
BANS Redeemed from Appropriations	-	-	-	-	26,795	-	216,627	243,422
Operating transfers (out)	(565,331)	-	-	-	(581)	-	(2,582)	(568,494)
<b>Total Other Sources (Uses)</b>	<b>(562,168)</b>	<b>115,331</b>	<b>-</b>	<b>-</b>	<b>26,214</b>	<b>-</b>	<b>1,303,050</b>	<b>882,427</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	2,367,416	9,179	11,519	151	(577,118)	(2,770,298)	47,066	(912,085)
Fund Balances - Beginning of year	15,108,083	(211,223)	188,457	100,841	697,140	8,823,249	(1,110,406)	23,596,141
Fund Balances - End of year	\$ 17,475,499	\$ (202,044)	\$ 199,976	\$ 100,992	\$ 120,022	\$ 6,052,951	\$ (1,063,340)	\$ 22,684,056

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in**  
**Fund Equity to the Statement of Activities**  
**For the Year Ended June 30, 2019**

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
<b>REVENUES</b>					
Real property taxes	\$ 56,167,635	\$ -	\$ -	\$ -	\$ 56,167,635
Other tax items	5,645,518	-	-	-	5,645,518
Nonproperty Taxes	149,753	-	-	-	149,753
Charges for services	162,818	-	-	-	162,818
Use of money and property	527,056	-	-	-	527,056
Sale of property and compensation for loss	205,063	-	-	-	205,063
Miscellaneous	1,192,594	-	-	-	1,192,594
State sources	19,368,887	-	-	-	19,368,887
Medicaid reimbursement	418,756	-	-	-	418,756
Federal sources	1,308,002	-	-	-	1,308,002
Surplus food	29,635	-	-	-	29,635
Sales - school lunch	1,226,604	-	-	-	1,226,604
<b>Total Revenues</b>	<b>86,402,321</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,402,321</b>
<b>EXPENDITURES\EXPENSES</b>					
General support	8,187,948	263,206	239,378	-	8,690,532
Instruction	44,005,249	(701,334)	3,472,992	-	46,776,907
Pupil transportation	4,351,678	-	907,123	-	5,258,801
Community service	15,991	-	-	-	15,991
Employee benefits	22,281,157	-	-	1,400,941	23,682,098
Debt service	3,082,321	-	-	(2,358,135)	724,186
Cost of sales	554,843	-	-	-	554,843
Other expenditures	590,521	-	-	-	590,521
Capital outlay	5,127,125	-	(5,127,125)	-	-
<b>Total Expenditures</b>	<b>88,196,833</b>	<b>(438,128)</b>	<b>(507,632)</b>	<b>(957,194)</b>	<b>86,293,879</b>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,794,512)</u>	<u>438,128</u>	<u>507,632</u>	<u>957,194</u>	<u>108,442</u>
<b>OTHER SOURCES AND USES</b>					
BAN Proceeds	-	-	-	-	-
Bond Proceeds	639,005	-	-	(639,005)	-
Premium on Bond	-	-	-	-	-
BANS Redeemed from Appropriations	243,422	-	-	(243,422)	-
Operating transfers in	568,494	(568,494)	-	-	-
Operating transfers (out)	(568,494)	568,494	-	-	-
<b>Total Other Sources (Uses)</b>	<b>882,427</b>	<b>-</b>	<b>-</b>	<b>(882,427)</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ (912,085)</b>	<b>\$ 438,128</b>	<b>\$ 507,632</b>	<b>\$ 74,767</b>	<b>\$ 108,442</b>

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Private Purpose Trusts	Agency
<b>ASSETS</b>		
Cash	\$ 65,071	\$ 388,063
Accounts Receivable	-	35,370
Due from governmental funds	-	332,619
Total Assets	\$ 65,071	\$ 756,052
<b>LIABILITIES</b>		
Extraclassroom activity balances	\$ -	\$ 270,621
Other liabilities	-	485,431
Total Liabilities	-	\$ 756,052
<b>NET POSITION</b>		
Reserved for scholarships	65,071	
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 65,071</b>	

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position -**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Private Purpose Trusts
<b>ADDITIONS</b>	
Contributions	\$ 2,475
Investment earnings	
Interest	107
Total Additions	2,582
 <b>DEDUCTIONS</b>	
Scholarships and awards	8,328
Change in Net Position	(5,746)
Net Position - Beginning of year	70,817
Net Position - End of year	\$ 65,071

See notes to basic financial statements

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

A) Reporting entity:

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

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

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

Extraclassroom Activity Funds

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

B) Joint venture:

The District is a component district in Onondaga Cortland Madison Board of Cooperative Education Services (OCMBOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares 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.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

The participation in OCMBOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to OCMBOCES. The District has an ongoing financial interest since OCMBOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in OCMBOCES. The District does not control the financial or operating policies of OCMBOCES; however, it has an ongoing financial responsibility since the continued existence of OCMBOCES depends on continued funding from the participating school districts.

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

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

During the year, the District was billed \$6,215,913 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,018,141. Financial statements for the BOCES are available from the OCMBOCES administrative office at 6820 Thompson Road, Syracuse, New York 13221-4754. As of June 30, 2018 (the most recent available audited financial statements), OCMBOCES has a total net position (deficit) of \$(191,567,165).

C) Basis of presentation:

i) District-wide financial 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 non-exchange 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 Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. 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.



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

ii) Fund financial statements:

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

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Special Aid Fund: Used to account for proceeds from State and federal grants that are restricted for specific educational programs.

School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Miscellaneous Special Revenue Fund: Used to account for and report those revenues that are restricted and committed to expenditures for specified purposes. The District has established a special revenue fund for replacement costs related to the turf field.

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

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

The District reports the following fiduciary funds:

Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of these fiduciary funds:

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. 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.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

D) Measurement focus and basis of accounting:

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

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year. Each school district should adopt an availability period for all revenues, except real property taxes, which must have a 60 day availability period.

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

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, 2018 and become a lien on August 31, 2018. Taxes were collected during the period September 4, 2018 to October 31, 2018. Uncollected real property taxes are subsequently enforced by Onondaga and Madison Counties, in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

F) Restricted resources:

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

G) Inter-fund transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These inter-fund 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.

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

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund 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 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

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

I) Cash and investments:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

I) Cash and investments (continued):

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies; obligations of the State and its municipalities and Districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations (if permitted by the District's policy).

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed. A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L) Other assets/restricted assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants. In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

M) Capital assets:

Capital assets, except for technology equipment, are reported at actual cost for acquisitions subsequent to June 30, 1999. Assets acquired prior to July 1, 1999 and technology equipment are reported at estimated historical cost based on appraisals conducted by independent third-party professionals. 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 value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$1,000	Straight Line	50 yrs.
Building improvements	1,000	Straight Line	20 yrs.
Site improvements	1,000	Straight Line	20 yrs.
Furniture and equipment	1,000	Straight Line	5-15 yrs.

N) Deferred revenue:

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

O) Deferred Outflows and Inflows of Resources:

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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 four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District’s proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District’s contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenue from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

P) Vested employee benefits:

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end. In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Q) Other benefits:

Eligible District employees participate in the New York State and Local Employees’ Retirement System or the New York State Teachers’ Retirement System. District employees may choose to participate in the District’s elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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

For the year ended June 30, 2019 the District recognized \$3,730,040 for its share of insurance premiums for currently enrolled retirees.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

R) Short-term debt:

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

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

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

S) Accrued liabilities and long-term obligations:

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

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

T) 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.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable 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 restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

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

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

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

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

**Non-spendable** fund balance - 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 \$35,380.



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

**Restricted** - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The School District has established the following restricted fund balances: Capital, Debt Service, Employee Benefit Accrued Liability, Retirement Contributions, Tax Certiorari, Unemployment Insurance, and Worker's Compensation. The following restricted funds are available to school districts within the State of New York:

Capital

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

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement.

Employee Benefit Accrued Liability

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

Insurance

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

Liability Claims and Property Loss

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

Repairs

According to General Municipal Law §6-d, funds must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

Retirement Contributions

According to General Municipal Law §6-r, funds must be used for financing retirement contributions. 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.

Tax Certiorari

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

Unemployment Insurance

According to General Municipal Law §6-m, funds 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.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

Workers' Compensation

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

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. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute liabilities and will be honored through budget appropriations in the subsequent year. Encumbrances held by the District at June 30, 2019 totaled \$712,211.

Restricted fund balance includes the following:

Reserved for Debt Service	\$	151,863
Reserved for Tax Certiorari		2,048,327
Reserved for Retirement Contribution		1,677,035
Reserved for Employee Benefit Accrued Liabilities		2,379,493
Reserved for Workers' Compensation		1,482,675
Reserved for Unemployment Compensation		211,327
Reserved for Capital - 2017		4,640,463
		\$ 12,591,183

**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 School District has no committed fund balances as of June 30, 2019.

**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. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$712,211.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

**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 School District and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable 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.

U) New Accounting Standards:

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2019, the District implemented the following new standard issued by GASB:

GASB Statement No. 83: Certain Asset Retirement Obligations

GASB Statement No. 88: Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

V) Future Changes in Accounting Standards:

GASB Statement No. 84: Fiduciary Activities Effective for the year ending June 30, 2020

GASB Statement No. 87: Leases Effective for the year ending June 30, 2021

GASB Statement No. 89: Accounting for Interest Cost Incurred Before the End of a Construction Period Effective for the year ending June 30, 2021

GASB Statement No. 91- Conduct Debt Obligations Effective for the year ending June 30, 2022.

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

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

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the 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. This reconciliation is performed on page 16.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories. This reconciliation is performed on page 18.

i) Long-term revenue differences:

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

ii) 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

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

The District administration prepares a proposed budget for approval by the Board of Education, which in turn is either approved or disapproved by eligible voters in the school district. The voters of the District approved the proposed appropriation budget for the General Fund on May 15, 2018.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

Appropriations are adopted at the program level. Appropriations established by the 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 included 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 that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year: A special legislative grant, athletic gate proceeds, Home School Association gifts for playground equipment, and an appropriation of a capital reserve.

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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

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

The Non-major Capital Projects Fund had a deficit fund balance of \$1,063,340. The majority of this will be funded when the District obtains financing for the purchase of their buses.

The Special Aid Fund shows an unreserved deficit fund balance of \$202,044. This deficit results from revenues that are due and expected to be received in subsequent years. In accordance with GASBS 33, *Accounting and Financial Reporting for Non-exchange Transactions*, this amount does not meet the availability criteria for recognition as revenue in the current period.

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

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

Total financial institution bank balances at year-end, per the bank, were \$29,185,297. These deposits are insured or collateralized with securities held by the financial institution in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$12,591,183 within the governmental funds and \$453,134 in the fiduciary funds.

Interest Rate Risk

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

Credit Risk

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

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5 – Capital assets**

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 412,900	\$ -	\$ -	\$ 412,900
Construction in progress	851,784	4,112,691	(87,858)	4,876,617
Total nondepreciable historical cost	1,264,684	4,112,691	(87,858)	5,289,517
Capital assets that are depreciated:				
Buildings	49,054,207	-	-	49,054,207
Site Improvements	61,644,487	-	87,858	61,732,345
Buses	8,390,266	830,319	(477,697)	8,742,888
Furniture and equipment	7,177,572	184,115	(119,195)	7,242,492
Total depreciable historical cost	126,266,532	1,014,434	(509,034)	126,771,932
Less accumulated depreciation:				
Buildings	30,048,328	2,419,166	-	32,467,494
Site Improvements	26,083,978	989,324	-	27,073,302
Buses	5,365,892	737,520	(435,498)	5,667,914
Furniture and equipment	5,414,630	419,385	(107,296)	5,726,718
Total accumulated depreciation	66,912,828	4,565,395	(542,794)	70,935,429
Total depreciable historical cost, net	\$ 60,618,388	\$ 561,730	\$ (54,098)	\$ 61,126,020
Depreciation expense was charged to governmental functions as follows:				
Administrative services		\$ 113,552		
Regular instruction		71,728		
Special education instruction		3,024,781		
Pupil services		415,010		
Operating & maintenance of plant		33,201		
Pupil transportation		907,123		
		\$ 4,565,395		



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6 – Short-term debt**

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN Maturing 7/20/2018 at 1.41%	\$ 26,795	\$ -	\$ 26,795	\$ -
BAN Maturing 8/03/2018 at 1.47%	991,908	-	991,908	-
BAN Maturing 8/02/2019 at 2.75%	-	775,281	-	775,281
	<u>\$ 1,018,703</u>	<u>\$ 775,281</u>	<u>\$ 1,018,703</u>	<u>\$ 775,281</u>

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

Interest paid	\$ 31,057
Less interest accrued in the prior year	(29,842)
Plus interest accrued in the current year	19,544
Total expense	<u>\$ 20,759</u>

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

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

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Government activities:					
Bonds and notes payable:					
General obligation debt:					
2010 issue	\$ 3,345,000	\$ -	\$ 535,000	\$ 2,810,000	\$ 550,000
2013 issue	6,015,000	-	360,000	5,655,000	375,000
Refunded 2005 Issue	2,140,000	-	400,000	1,740,000	415,000
2016 issue	6,780,000	-	400,000	6,380,000	420,000
2018 issue	1,835,000	-	65,000	1,770,000	110,000
2018 Bus issue		639,005		639,005	119,005
Lease-purchase obligation	1,243,331	-	213,385	1,029,946	219,977
Total bonds and notes payable	<u>21,358,331</u>	<u>639,005</u>	<u>1,973,385</u>	<u>20,023,951</u>	<u>2,208,982</u>
Other liabilities:					
Due to employee's retirement system	-	356,757	-	356,757	356,757
Due to teachers' retirement system - employee	202,262	173,416	202,262	173,416	173,416
Due to teachers' retirement system - employer	3,026,713	3,327,020	3,026,713	3,327,020	3,327,020
Compensated absences	2,092,410	2,379,493	2,092,410	2,379,493	202,645
Other post-employment benefits payable	178,212,604	12,701,553	25,182,607	165,731,550	3,730,040
Net pension liability	990,267	1,328,660	-	2,318,927	-
Premium on bond refunding	1,898,341	-	136,328	1,762,013	-
Total other liabilities	<u>186,422,597</u>	<u>20,266,899</u>	<u>30,640,320</u>	<u>176,049,176</u>	<u>7,789,878</u>
Total long-term liabilities	<u>\$ 207,780,928</u>	<u>\$ 20,905,904</u>	<u>\$ 32,613,705</u>	<u>\$ 196,073,127</u>	<u>\$ 9,998,860</u>

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

Interest paid	\$	890,437
Less interest accrued in the prior year		(14,321)
Plus interest accrued in the current year		<u>12,024</u>
Total expense	\$	<u><u>888,140</u></u>

In July 2013, certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The liability for the defeased bonds, \$1.8 million, and the trust account assets are not included in the financial statements.

The following is a schedule of bonds outstanding at June 30, 2019:

	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2019</u>
2013 Refunding Bond	7/2/2013	\$ 5,055,000	5/15/2023	2.00%-4.00%	\$ 1,740,000
2010 Serial Bond	4/15/2010	7,050,000	4/15/2025	2.00%-4.00%	2,810,000
2013 Serial Bond	6/13/2013	7,610,000	6/15/2042	2.00%-4.00%	5,655,000
2016 Serial Bond	6/15/2016	7,440,000	6/15/2031	2.00%-5.00%	6,380,000
2018 Serial Bond	6/7/2018	1,835,000	6/15/2032	4.00%-5.00%	1,770,000
2018 Bus Bond	7/16/2018	639,005	7/15/2023	2.50%-2.625%	639,005
					<u><u>\$ 18,994,005</u></u>

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

	Serial Bonds		Total
	Principal	Interest	
Fiscal year ended June 30,			
2020	\$ 1,989,005	\$ 788,435	\$ 2,777,440
2021	2,080,000	700,979	2,780,979
2022	2,155,000	624,154	2,779,154
2023	2,225,000	542,155	2,767,155
2024	1,610,000	456,928	2,066,928
5 subsequent years: 2025 - 2029	5,610,000	1,429,456	7,039,456
5 subsequent years: 2030 - 2034	2,110,000	413,375	2,523,375
5 subsequent years: 2035 - 2039	715,000	188,400	903,400
5 subsequent years: 2040 - 2042	500,000	40,600	540,600
	<u>\$ 18,994,005</u>	<u>\$ 5,184,482</u>	<u>\$ 24,178,487</u>

The following is a summary of obligations of government activities under capital lease payments:

	Total
Fiscal year ended June 30,	
2020	\$ 249,163
2021	254,434
2022	259,436
2023	209,052
2024	<u>138,648</u>
Total minimum lease payments	1,110,733
Less amount representing interest	<u>(80,787)</u>
Present value of minimum lease payments	<u>\$ 1,029,946</u>

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 8 – Interfund balances and activity**

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 1,571,639	\$ 248,928	\$ 3,163	\$ 565,331
Special Aid Funds	-	431,742	115,331	-
School Lunch Fund	-	183,633	-	-
Capital Funds	85,068	1,125,022	450,000	3,163
	<u>1,656,707</u>	<u>1,989,325</u>	<u>568,494</u>	<u>568,494</u>
Total government activities				
	1,656,707	1,989,325	568,494	568,494
Fiduciary Agency Fund	332,619	-	-	-
	<u>332,619</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,989,326</u>	<u>\$ 1,989,325</u>	<u>\$ 568,494</u>	<u>\$ 568,494</u>

The District typically transfers from the General Fund to the Capital Fund to help fund capital renovations and additions. The district also transfers from the General Fund to the Special Aid fund to fund the local portion of the Special Education Summer School Program.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The Capital Fund payable primarily resulted from a transfer from the General Fund to pay for the buses. A bus BAN was obtained in August 2019 to offset the transfer. The remainder is for referendum project expenses that have not been financed through a BAN or Bond.

**Note 9 – Pension plans**

**General Information:**

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

**Provisions and Administration:**

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 9 – Pension plans** (continued)

contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System’s website at [www.nystrs.org](http://www.nystrs.org).

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

Funding Policies:

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

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, was:

	NYSTRS	NYSERS
2016-2017	\$ 4,016,868	\$ 1,402,601
2017-2018	3,026,713	1,385,753
2018-2019	3,327,020	1,723,463

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System’s fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 9 – Pension plans** (continued)

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined.

This information was provided by the ERS and TRS Systems in reports provided to the District:

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	4/1/2018	6/30/2018
Net pension asset/(liability)	\$ (2,318,927)	\$ 3,428,592
District's portion of the Plan's total net pension asset/(liability)	0.0327287%	0.0189607%

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 9 – Pension plans** (continued)

For the year ended June 30, 2019, the District’s recognized pension expense of \$2,627,258 for TRS and \$1,681,382 for ERS. At June 30, 2019, the District has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 456,645	\$ 2,562,159	\$ 155,665	\$ 464,107
Changes of assumption	582,883	11,985,178	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	595,165	3,805,998
Changes in proportion and differences between the District's contributions and proportionate share of contributions	410,788	51,942	50,709	199,229
District's contribution subsequent to the measurement date	-	3,327,020	-	-
<b>Total</b>	<u><u>\$ 1,450,316</u></u>	<u><u>\$ 17,926,299</u></u>	<u><u>\$ 801,539</u></u>	<u><u>\$ 4,469,334</u></u>

District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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>
2019	\$ -	\$ 3,402,933
2020	618,109	2,299,587
2021	(361,046)	212,405
2022	29,616	2,291,509
2023	362,098	1,548,544
Thereafter	-	374,968
	<u><u>\$ 648,777</u></u>	<u><u>\$ 10,129,946</u></u>

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 9 – Pension plans** (continued)

Actuarial Assumptions

The total pension 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 liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest rate	7.0%	7.25%
Salary scale	3.00%-6.00%	1.90%-4.72%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.25%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale AA. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 9 – Pension plans** (continued)

Measurement date	ERS	TRS
	3/31/2019	6/30/2018
Asset Type		
Domestic equity	36%	33%
International equity	14%	16%
Real estate	10%	11%
Private equities	10%	8%
Domestic fixed income securities	0%	16%
Global fixed income securities	0%	2%
Global equities	0%	4%
High-yield fixed income securities	0%	1%
Mortgages	17%	8%
Short-term	0%	1%
Opportunistic portfolio	3%	0%
Cash	1%	0%
Inflation-indexed bonds	4%	0%
Absolute return strategies	2%	0%
Real assets	3%	0%
	100%	100%

Discount Rate

The discount rate used to calculate the total pension liability was 7.25% for TRS and 7% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The table on the following page presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25% for TRS and 7% for ERS, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25% for TRS and 6% for ERS) or 1 percentage point higher (8.25% for TRS and 8% for ERS) than the current rate:

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 9 – Pension plans** (continued)

ERS	1% Decrease <u>(6.0%)</u>	Current Assumption <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (10,138,718)	\$ (2,318,927)	\$ 4,250,253
 TRS	 1% Decrease <u>(6.25%)</u>	 Current Assumption <u>(7.25%)</u>	 1% Increase <u>(8.25%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (23,554,987)	\$ 3,428,592	\$ 26,033,332

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2018 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to \$3,327,020.

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, 2019 represent the projected employer contribution for the period of April 1, 2018 through June 30, 2019 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to \$173,416 of employer contributions. Employee contributions are remitted monthly.

**Note 10 – Postemployment (health insurance) benefits**

A. General information about the plan and benefits

*Plan Description* – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided* – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 10 – Postemployment (health insurance) benefits (continued)**

*Employees Covered by Benefit Terms* – At June 30, 2019 the following employees were covered by the benefit terms:

Retirees and Survivors	443
Active employees	<u>702</u>
	<u><u>1,145</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$165,731,550 was measured as of July 1, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	3.00%
Discount Rate	3.87%
Healthcare Cost Trend Rates	3.9% to 8.0% over 70 years
Retirees' Share of Benefit-Related Costs	11% to 50% of projected health insurance

The Discount rate was based on a yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on MP-2014, adjusted to 2006 total Dataset Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2018.

The actuarial assumptions used in June 30, 2019 valuation were based on the results of an actuarial experience study for the period of July 1, 2018 – June 30, 2019.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 10 – Postemployment (health insurance) benefits (continued)**

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 178,212,604
Changes for the Year:	
Service cost	5,907,525
Interest	6,565,351
Changes of benefit terms	228,677
Differences between expected and actual experience	(20,068,530)
Changes in assumptions or other inputs	(1,615,505)
Benefit payments	(3,498,572)
Net Changes	<u>(12,481,054)</u>
Balance at June 30, 2019	<u>\$ 165,731,550</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.60% in 2018 to 3.87% in 2019.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate.

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 197,827,519</u>	<u>\$ 165,731,550</u>	<u>\$ 140,500,617</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate*- The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 137,879,589</u>	<u>\$ 165,731,550</u>	<u>\$ 202,230,595</u>

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 10 – Postemployment (health insurance) benefits (continued)**

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$4,975,108. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 16,877,985
Changes of assumptions or other inputs	-	19,887,008
Contributions subsequent to the measurement period	<u>3,861,250</u>	<u>-</u>
	<u>\$ 3,861,250</u>	<u>\$ 36,764,993</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ (7,726,445)
2021	(7,726,445)
2022	(7,726,445)
2023	(7,726,445)
Thereafter	<u>(5,859,213)</u>
	<u>\$ (36,764,993)</u>

**Note 11 – Risk management**

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

The District incurs costs related to an employee health insurance plan (plan). The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of two years; a member may withdraw from the plan after that time by providing written intent to withdraw on or before May 1<sup>st</sup> of the commencement of the school year for which the withdrawal is intended to be effective. The Central New York Health Insurance consortium has thirty (30) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a pro-rata supplemental assessment in the event of deficiencies.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$14,981,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

The District incurs costs related to an employee workers' compensation plan. The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of two years; a member may withdraw from the plan after that time by submitting written notice prior to January 31<sup>st</sup> effective the next June 30<sup>th</sup>. The Onondaga Cortland Madison Workers' Compensation Consortium includes thirty-one (31) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

The District's share of the Consortium's outstanding case reserves that includes estimates of future payments totals \$814,599 as of June 30, 2019. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$540,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

**Note 12 – Donor-restricted endowments**

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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**Note 13 – Commitments and contingent liabilities**

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.

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

**Note 14 – Subsequent events**

On July 15, 2019, the District issued \$675,137 in serial bonds with interest rates ranging from 1.85% to 2.00% over the life of the bonds. Final maturity is in 2025. In addition, on August 1, 2019 the District received proceeds from a bond anticipation note for \$558,654 to finance the purchase of buses.

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**Other Postemployment Benefits**  
**For the Year Ended June 30, 2019**

	2019	2018
Measurement Date	June 30, 2018	June 30, 2017
Total OPEB Liability	\$ 165,731,550	\$ 178,212,604
Service Cost	5,907,525	7,686,685
Interest	6,565,351	5,734,503
Changes in benefit terms	228,677	-
Differences between expected and actual experience in the measurement	(20,068,530)	-
Changes in assumptions or other inputs	(1,615,505)	(27,086,466)
Benefit payments	(3,498,572)	(3,292,083)
Net change in total OPEB liability	(12,481,054)	(16,957,361)
Total OPEB liability- beginning	178,212,604	195,169,965
Total OPEB liability- ending	\$ 165,731,550	\$ 178,212,604
Covered payroll	\$ 41,375,499	\$ 41,209,768
Total OPEB liability as a percentage of covered payroll	401%	432%

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



**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund (continued)**  
**For the Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
<b>REVENUES</b>				
Local Sources				
Real property taxes	\$ 61,808,160	\$ 61,808,160	\$ 61,813,152	\$ 4,992
Nonproperty taxes	132,112	132,112	149,753	17,641
Charges for services	12,000	12,000	162,818	150,818
Use of money and property	358,000	358,000	526,905	168,905
Sale of property and compensation for loss	64,000	64,000	205,063	141,063
Miscellaneous	905,589	920,607	1,026,735	106,128
Total Local Sources	63,279,861	63,294,879	63,884,426	589,547
State Sources	18,868,831	18,913,831	19,113,299	199,468
Medicaid Reimbursement	-	-	418,756	418,756
Total Revenues	82,148,692	82,208,710	83,416,481	1,207,771
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	-	3,163	3,163
Designated for subsequent year expenditures	-	-	-	-
Total Revenues and other	\$ 82,148,692	\$ 82,208,710	\$ 83,419,644	\$ 1,210,934
Financing Sources				

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund (continued)**  
**For the Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
<b>EXPENDITURES</b>					
General Support					
Board of Education	\$ 52,550	\$ 63,930	\$ 63,332	\$ 397	\$ 201
Central Administration	281,789	278,562	278,404	-	158
Finance	972,380	1,012,100	920,868	16,549	74,683
Staff	457,506	471,759	402,534	14,498	54,727
Central Services	6,388,905	7,219,983	6,031,273	219,910	968,800
Special Items	587,342	608,542	603,983	-	4,559
Total General Support	<u>8,740,472</u>	<u>9,654,876</u>	<u>8,300,394</u>	<u>251,354</u>	<u>1,103,128</u>
Instruction					
Administration and Improvement	3,087,448	3,253,868	2,955,917	9,504	288,447
Teaching - Regular School	28,001,305	28,642,426	28,017,436	375,469	249,521
Programs for Students with Disabilities	6,756,747	6,609,167	6,519,419	8,412	81,336
Teaching - Special Schools	47,721	11,221	-	-	11,221
Instructional media	1,806,557	1,950,819	1,874,109	35,878	40,832
Pupil Services	3,535,009	3,609,379	3,435,935	24,626	148,818
Total Instruction	<u>43,234,787</u>	<u>44,076,880</u>	<u>42,802,816</u>	<u>453,889</u>	<u>820,175</u>

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund**  
**For the Year Ended June 30, 2019**

Pupil Transportation	4,082,087	4,378,840	4,276,235	6,969	95,636
Community Services	41,050	41,050	15,991	-	25,059
Employee Benefits	23,155,876	22,264,455	22,009,140	-	255,315
Debt Service	3,124,420	3,124,420	3,082,321	-	42,099
Undistributed Salaries	-	-	-	-	-
	<u>82,378,692</u>	<u>83,540,521</u>	<u>80,486,897</u>	<u>712,212</u>	<u>2,341,412</u>
<b>OTHER FINANCING USES</b>					
Transfer to other Funds	<u>520,000</u>	<u>565,331</u>	<u>565,331</u>	<u>-</u>	<u>-</u>
	<u>82,898,692</u>	<u>84,105,852</u>	<u>81,052,228</u>	<u>\$ 712,212</u>	<u>\$ 2,341,412</u>
Net change in fund balance	(750,000)	(1,897,142)	2,367,416		
Fund balance - beginning	<u>750,000</u>	<u>1,897,142</u>	<u>15,108,083</u>		
Fund balance - ending	<u>\$ -</u>	<u>-</u>	<u>\$ 17,475,499</u>		

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**For the year ended June 30, 2019**

	<b>Teachers' Retirement System</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,327,020	\$ 3,026,713	\$ 4,016,868	\$ 5,123,299	\$ 4,667,512
Contributions in relation to the contractually required contribution	<u>3,327,020</u>	<u>3,026,713</u>	<u>4,016,868</u>	<u>5,123,299</u>	<u>4,667,512</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 31,327,872	\$ 30,018,618	\$ 30,175,399	\$ 28,882,241	\$ 26,610,673
Contributions as a percentage of covered payroll	11%	10%	13%	18%	18%
	<b>Employees' Retirement System</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,723,463	\$ 1,385,753	\$ 1,402,601	\$ 1,630,005	\$ 1,725,018
Contributions in relation to the contractually required contribution	<u>1,723,463</u>	<u>1,385,753</u>	<u>1,402,601</u>	<u>1,630,005</u>	<u>1,725,018</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,047,627	\$ 11,191,150	\$ 11,040,321	\$ 9,491,777	\$ 10,975,012
Contributions as a percentage of covered payroll	17%	12%	13%	17%	16%

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Schedule of District's Proportionate Share of the Net Pension Asset (Liability)**  
**For the year ended June 30, 2019**

	<i>Teachers' Retirement System</i>				
	2019	2018	(as restated) 2017	2016	2015
District's proportion of the net pension asset (liability)	0.189607%	0.190452%	0.187170%	0.018719%	0.185839%
District's proportionate share of the net pension asset (liability)	\$ 3,428,592	\$ 1,447,627	\$ (2,006,205)	\$ 23,273,012	\$ 25,630,495
District's covered payroll	\$ 31,327,872	\$ 30,018,618	\$ 30,175,399	\$ 28,882,241	\$ 26,610,673
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	11%	5%	-7%	81%	96%
Plan fiduciary net position as a percentage of the total pension liability					
	<i>Employees' Retirement System</i>				
	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.0327287%	0.0306827%	0.0317576%	0.0326664%	0.0327481%
District's proportionate share of the net pension asset (liability)	\$ (2,318,927)	\$ (990,267)	\$ (2,984,016)	\$ (5,243,052)	\$ (1,106,306)
District's covered payroll	\$ 10,047,627	\$ 11,191,150	\$ 11,040,321	\$ 9,491,777	\$ 10,975,012
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	23%	9%	27%	55%	10%

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Schedule of Change from Adopted Budget to Final Budget**  
**and the Real Property Tax Limit**  
**For the Year Ended June 30, 2019**

## CHANGE FROM ADOPTED TO FINAL BUDGET

Adopted Budget	\$ 82,898,692
Add: Prior year's encumbrances	<u>1,147,142</u>
Original Budget	84,045,834
Budget revision: Athletic Gate Proceeds	15,018
Special Legislative Grant	<u>45,000</u>
Revised Budget	<u><u>\$ 84,105,852</u></u>

## SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2019-2020 voter-approved expenditure budget	
Maximum allowed (4% of 2019-2020 budget)	\$ 85,874,862
General Fund-Fund Balance Subject to 1318 of Real Property Tax Law *:	
Unrestricted fund balance:	
Assigned fund balance	\$ 1,462,211
Unassigned fund balance	<u>3,422,105</u>
Total unrestricted fund balance	<u>4,884,316</u>
Less:	
Appropriated fund balance	750,000
Encumbrances included in committed and assigned fund balance	<u>712,211</u>
Total adjustments	<u>1,462,211</u>
General Fund-Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,422,105</u></u>
Actual Percentage	3.98%

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

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

**Fayetteville-Manlius Central School District**  
**Schedule of Project Expenditures and Financing Resources -**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2019**

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance 30-Jun-19	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total		
<b>December 2017 Ref</b>												
Alterations: Wellwood (and pre-ref WW) High School, Enders Road	10,500,000	45,200,000	596,750	2,906,710	3,503,460	41,696,540	-	-	9,556,411	9,556,411	6,052,951	
	<b>10,500,000</b>	<b>45,200,000</b>	<b>596,750</b>	<b>2,906,710</b>	<b>3,503,460</b>	<b>41,696,540</b>	<b>-</b>	<b>-</b>	<b>9,556,411</b>	<b>9,556,411</b>	<b>6,052,951</b>	
<b>March 2015 Referendum</b>												
Roofing - Fayetteville Elem - Phase I	1,751,795	1,751,795	1,751,795		1,751,795		1,171,795	-	580,000	1,751,795		0
Roofing - Fayetteville Elem - Phase II	817,467	901,613	206,063	603,913	809,976	91,637	663,205	-	266,793	929,998		120,022
*expense includes \$84,145.55 bond premium	<b>2,569,262</b>	<b>2,653,408</b>	<b>1,957,858</b>	<b>603,913</b>	<b>2,561,771</b>	<b>91,637</b>	<b>1,835,000</b>	<b>-</b>	<b>846,793</b>	<b>2,681,792</b>		<b>120,022</b>
<b>Non-Major</b>												
Prior Year Bus BAN	991,908	991,908	991,908		991,908	-	216,627	-	-	216,627		(775,281)
Bus Purchases 17-18	639,005	639,005	639,005	(2,242)	636,763	2,242	639,005	-	-	639,005		2,242
Bus Purchases 18-19	675,137	675,137	-	675,082	675,082	55	-	-	-	-		(675,082)
												-
Smart Schools	2,818,631	1,727,955	1,687,559	39,837	1,727,396	559	-	1,727,396	-	1,727,396		0
												-
Mott Road Windows	407,149	407,149	32,059	328,884	360,943	46,206	-	-	407,149	407,149		46,206
Mott Road Fire Alarms (18/19)	350,000	350,000		24,150	24,150	325,850	-	-	350,000	350,000		325,850
LGI Renovations (Grant)	230,000	230,000	13,202	8,190	21,392	208,608	-	-	-	-		(21,392)
FE Office & Site Renovation	149,000	149,000			-	149,000	-	-	149,000	149,000		149,000
HS Emergency-Wall/Entry Way	150,116	210,000		209,933	209,933	67	-	-	-	-		(209,933)
HS Security (18/19)	100,000	100,000		8,510	8,510	91,490	-	-	100,000	100,000		91,490
FE Electric Service (19/20)				22,400	22,400	(22,400)	-	-	-	-		(22,400)
Prior Years Unallocated transfer			-	-	-	26,417	-	-	25,960	25,960		25,960
	<b>6,510,946</b>	<b>5,480,154</b>	<b>3,363,733</b>	<b>1,314,744</b>	<b>4,678,477</b>	<b>828,094</b>	<b>855,632</b>	<b>1,727,396</b>	<b>1,032,109</b>	<b>3,615,137</b>		<b>(1,063,340)</b>
<b>Totals</b>	<b>\$ 19,580,208</b>	<b>\$ 53,333,562</b>	<b>\$ 5,918,342</b>	<b>\$ 4,825,367</b>	<b>\$ 10,743,708</b>	<b>\$ 42,616,270</b>	<b>\$ 2,690,632</b>	<b>\$ 1,727,396</b>	<b>\$ 11,435,313</b>	<b>\$ 15,853,341</b>		<b>\$ 5,109,633</b>

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

**FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT**  
**Investment in Capital Assets, Net of Related Debt**  
**For the Year Ended June 30, 2019**

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Capital assets, net		\$ 61,126,020
Add:		
Savings on old bond defeasement		55,000
Deduct:		
Bond anticipation notes	(775,281)	
Premium on bond refunding	(1,762,013)	
Short-term portion of bonds payable	(1,989,005)	
Long-term portion of bonds payable	(17,005,000)	
Short-term portion of capital leases	(219,977)	
Long-term portion of capital leases	(809,969)	
Interest payable	(31,567)	
Total Deductions	(22,592,812)	(22,592,812)
Investment in capital assets, net of related debt		\$ 38,588,208

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