

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**Financial Statements and
Required Report
As of and for the Year Ended
June 30, 2022**

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

November 1, 2022

To the Board of Education of
Lansingburgh Central School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lansingburgh Central School District (School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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 of the School District as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 15 to the financial statements, during the year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87 - *Leases*. Our opinions are not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information (Continued)

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

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Assets, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2022, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following is a discussion and analysis of the Lansingburgh Central School District's (School District) financial performance for the fiscal year ended June 30, 2022. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was (\$21,905,977).
- Government-wide net position was \$3,802,063 greater than at June 30, 2021.
- The School District substantially continued to offer all programs, without reducing services, while maintaining fund balance within state mandated limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *Government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

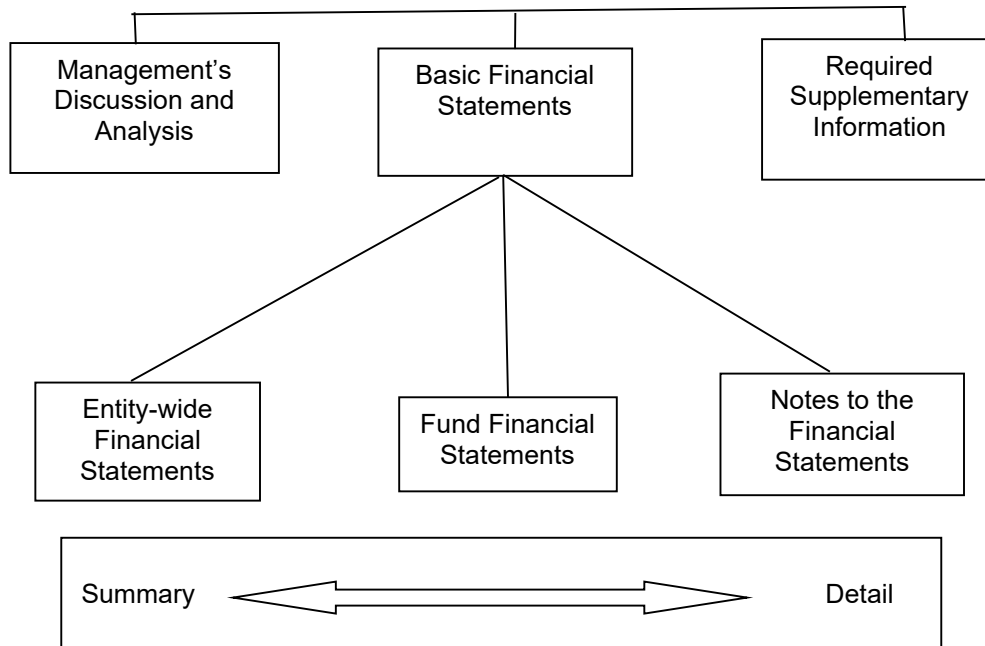


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The daily operating activities of the School District, such as instruction and special education.	School District administers resources on behalf of someone else.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and change in fund balance 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of change in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has two types of funds:

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2022 are detailed in Tables A-3 and A-4.

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

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Current and other assets	\$ 22,259	\$ 19,618	13.46%
Noncurrent assets	<u>86,420</u>	<u>67,579</u>	27.88%
Total assets	<u>108,679</u>	<u>87,197</u>	24.64%
Deferred outflows of resources	<u>35,784</u>	<u>39,193</u>	-8.70%
Current liabilities	8,216	6,468	27.03%
Long-term liabilities	<u>87,563</u>	<u>135,630</u>	-35.44%
Total liabilities	<u>95,780</u>	<u>142,098</u>	-32.60%
Deferred inflows of resources	<u>70,590</u>	<u>10,124</u>	597.25%
Net position:			
Net investment in capital assets	40,689	38,611	5.38%
Restricted	10,598	10,280	3.09%
Unrestricted	<u>(73,192)</u>	<u>(74,722)</u>	2.05%
Total net position	<u>\$ (21,906)</u>	<u>\$ (25,831)</u>	15.20%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position

The School District's 2022 revenue was \$61,089,451 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 24% and 56%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$57,287,388 for 2022. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 14% of total costs.

Net position increased during the year by \$3,802,063 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS proportionate assets, deferred outflows, liabilities and deferred inflows.

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

	Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>	Percent <u>Change</u>
Revenue:			
Charges for services	\$ 186	\$ 321	-42.07%
Operating grants	8,391	3,970	111.35%
General revenue:			
Property taxes	16,248	16,209	0.24%
State aid	34,265	31,645	8.28%
Medicaid reimbursement	228	115	97.92%
Interest earnings	1	8	-84.58%
Miscellaneous	<u>1,771</u>	<u>868</u>	104.05%
Total revenue	<u>61,089</u>	<u>53,136</u>	14.97%
Expenses:			
General support	7,881	7,239	8.87%
Instruction	42,823	46,378	-7.66%
Transportation	4,216	3,564	18.30%
Debt service - Interest	1,061	1,509	-29.68%
Cost of sales - Food	<u>1,306</u>	<u>771</u>	69.36%
Total expenses	<u>57,287</u>	<u>59,461</u>	-3.66%
Change in net position	<u>\$ 3,802</u>	<u>\$ (6,325)</u>	160.11%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Figure A-5: Revenue Sources for 2022:

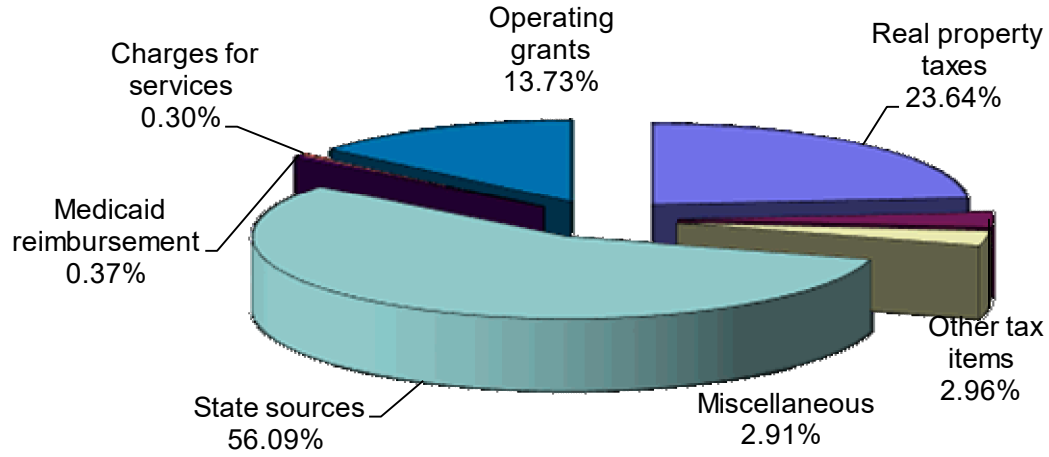
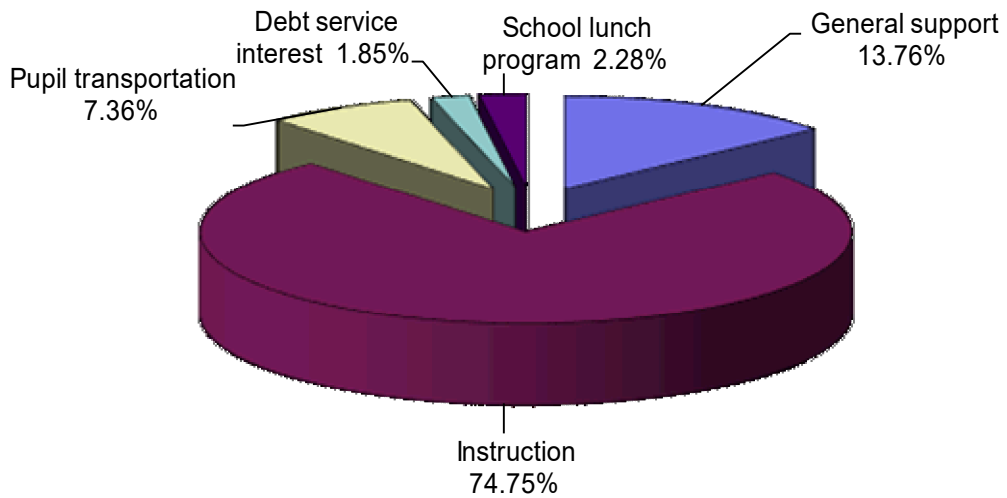


Figure A-6: Sources of Expenses for 2022:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled \$61,089,451 while total expenses were \$57,287,388. Accordingly, net position increased by \$3,925,573.

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

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

	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>
General support	\$ 7,881	\$ (7,881)	\$ 7,239	\$ (7,239)
Instruction	42,823	(35,812)	46,378	(42,717)
Pupil transportation	4,216	(4,216)	3,564	(3,564)
Debt service - Interest	1,061	(1,061)	1,509	(1,509)
Cost of sales - Food	1,306	260	771	(140)
	<u>\$ 57,287</u>	<u>\$ (48,711)</u>	<u>\$ 59,461</u>	<u>\$ (55,169)</u>

- The cost of all governmental activities for the year was \$57,287,388.
- The users of the School District's programs financed \$185,960 of the costs through charges for services.
- The federal and state government financed \$8,390,502 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental Funds Highlights

General Fund – New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. The School District continues to maximize revenues by claiming refunds and billing for services.

Special Aid Fund – The School District continues to benefit from federal COVID funding and has until fiscal 2024 to spend its allocation. The primary purpose of the federal funding is to reverse learning loss suffered by students during the COVID pandemic.

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

Governmental Funds Highlights (Continued)

School Lunch Fund – The School Lunch Fund continues to have a strong balance in preparation of further renovations.

Capital Projects Fund – Expenditures in the Capital Projects Fund were mostly related to smart schools bond and renovations.

General Fund Budgetary Highlights

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

Revenue Variances

Revenues are lower than budgeted primarily due to decreased building and transportation aids.

Expenditure Variances

The unfavorable revenue variance was more than offset by favorable variances in expenditures. The School District realized significant savings in staffing and transportation costs.

Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 17,283	\$ 17,283	\$ 18,105	\$ -	\$ 822
State sources	35,599	35,599	34,265	-	(1,334)
Federal sources	867	867	812	-	(55)
Medicaid reimbursement	150	150	228	-	78
Transfers In	100	100	-	-	(100)
Total	<u>53,999</u>	<u>53,999</u>	<u>53,410</u>	<u>-</u>	<u>(590)</u>
Expenditures:					
General support	5,552	6,433	5,680	541	211
Instruction	28,735	28,971	26,753	757	1,461
Transportation	4,757	4,716	4,062	60	593
Employee benefits	10,804	10,795	10,624	-	171
Debt service	4,811	4,820	4,811	-	9
Transfers out	90	400	400	-	-
Total	<u>54,749</u>	<u>56,134</u>	<u>52,331</u>	<u>1,358</u>	<u>2,445</u>
Revenue over (under) expenditures	<u>\$ (750)</u>	<u>\$ (2,135)</u>	<u>\$ 1,078</u>	<u>\$ (1,358)</u>	<u>\$ 1,856</u>

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the School District had \$66,725,550 invested in buildings, computers, and other educational equipment.

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

	Fiscal Year 2022	Fiscal Year 2021
Land	\$ 221	\$ 221
Buildings and improvements	64,221	65,796
Construction in progress	1,978	1,482
Furniture and equipment	<u>305</u>	<u>204</u>
Total	<u>\$ 66,726</u>	<u>\$ 67,703</u>

Long-Term Liabilities

As of June 30, 2022, the School District had \$90,773,406 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

Figure A-9 Outstanding Long-Term Liabilities (In Thousands of Dollars)

	Fiscal Year 2022	Fiscal Year 2021
General obligation bonds	\$ 26,165	\$ 29,908
Other long-term debt including OPEB	<u>64,609</u>	<u>106,177</u>
Total	<u>\$ 90,773</u>	<u>\$ 136,085</u>

During 2022, the School District paid down its bonded debt by \$3,465,000.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

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

The School District is heavily dependent on state aid to fund expenditures. Future adjustments to State Aid are dependent on actions of the Governor and Legislature.

The Property Tax Levy Cap, Chapter 97 of the Laws of 2011, continues to limit the School District's ability to raise tax revenue to meet future operating expenditures.

The billing issues experienced with the Charter Schools have improved over time with increased communication. The School District's hope is that with a recent change in Charter School management, the practice of requesting State Aid intercepts prematurely will cease. The School District Administration continues to be vigilant to ensure the tax dollars are spent on School District residents only. The School District continues to lobby for the recoupment of lost funds from past intercepts that, in their opinion, were approved in error by NYSED.

Revenue sources discussed above are for the General Fund only. The School District also depends on federal grant allocations. As these funds are reduced, the employees' salaries and program costs included in these programs must either be eliminated or moved to the General Fund. This information is often discovered after our budget is approved by the voters.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Ms. Linda Klime
Business Administrator
Lansingburgh Central School District
55 New Turnpike Road
Troy, New York 12182

LANSINGBURGH CENTRAL SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2022****ASSETS**

CURRENT ASSETS:

Cash - unrestricted	\$ 8,721,041
Cash - restricted	9,627,100
Due from other governments	150,714
State and federal aid receivable	3,724,376
Prepaid expenditures	8,755
Inventory	<u>27,481</u>
Total current assets	<u>22,259,467</u>

NONCURRENT ASSETS:

Net pension asset	19,694,412
Capital assets, net	<u>66,725,550</u>
Total non-current assets	<u>86,419,962</u>

TOTAL ASSETS 108,679,429

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - TRS	11,198,273
Deferred outflows of resources - ERS	1,463,027
Deferred outflows of resources - OPEB	<u>23,122,925</u>
Total Deferred Outflows of Resources	<u>35,784,225</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 144,463,654

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	720,692
Accrued liabilities	1,362,829
Unearned revenue	424,229
Due to Teachers' Retirement System	2,312,368
Due to Employees' Retirement System	136,590
Bond interest accrual	49,516
Bonds payable due within one year	<u>3,210,000</u>
Total current liabilities	<u>8,216,224</u>

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	20,990,000
Bond premium, net	1,964,639
Total other postemployment benefits liability	64,558,113
Compensated absences	<u>50,654</u>
Total long-term liabilities	<u>87,563,406</u>

TOTAL LIABILITIES 95,779,630

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS	2,446,135
Deferred inflows of resources - TRS	21,536,965
Deferred inflows of resources - OPEB	<u>46,606,901</u>
Total Deferred Inflows of Resources	<u>70,590,001</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES 166,369,631

NET POSITION

Net investment in capital assets	40,688,741
Restricted	10,597,763
Unrestricted	<u>(73,192,481)</u>
TOTAL NET POSITION	<u>\$ (21,905,977)</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 7,881,075	\$ -	\$ -	\$ (7,881,075)
Instruction	42,823,272	156,934	6,854,070	(35,812,268)
Pupil transportation	4,216,134	-	-	(4,216,134)
School lunch program	1,305,730	29,026	1,536,432	259,728
Debt service interest	<u>1,061,177</u>	<u>-</u>	<u>-</u>	<u>(1,061,177)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 57,287,388</u>	<u>\$ 185,960</u>	<u>\$ 8,390,502</u>	<u>(48,710,926)</u>
GENERAL REVENUE:				
Real property taxes				14,440,391
Other tax items				1,807,702
Use of money and property				1,234
Sale of property and compensation for loss				422,335
Miscellaneous				1,348,788
State sources				34,264,932
Medicaid reimbursement				<u>227,607</u>
TOTAL GENERAL REVENUE				<u>52,512,989</u>
CHANGE IN NET POSITION				<u>3,802,063</u>
NET POSITION - beginning of year, as previously reported				(25,831,550)
RESTATEMENT (Note 15)				<u>123,510</u>
NET POSITION - beginning of year, as restated				<u>(25,708,040)</u>
NET POSITION - end of year				<u>\$ (21,905,977)</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	Governmental Fund Types						Total Governmental Funds
	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Miscellaneous Special Revenue</u>	<u>Debt Service</u>	
ASSETS							
Cash - unrestricted	\$ 6,485,660	\$ 950,960	\$ 1,219,581	\$ 127,830	\$ -	\$ -	\$ 8,784,031
Cash - restricted	3,617,379	-	-	-	205,013	5,741,718	9,564,110
Due from other funds	2,302,157	-	-	-	-	1,033,653	3,335,810
State and federal aid receivable	1,662,949	1,803,798	257,629	-	-	-	3,724,376
Due from other governments	150,714	-	-	-	-	-	150,714
Prepaid expenditures	8,755	-	-	-	-	-	8,755
Inventory	-	-	27,481	-	-	-	27,481
TOTAL ASSETS	\$ 14,227,614	\$ 2,754,758	\$ 1,504,691	\$ 127,830	\$ 205,013	\$ 6,775,371	\$ 25,595,277
LIABILITIES AND FUND BALANCE							
LIABILITIES:							
Accounts payable	\$ 544,124	\$ 27,511	\$ 76,845	\$ 72,212	\$ -	\$ -	\$ 720,692
Accrued liabilities	1,361,968	861	-	-	-	-	1,362,829
Unearned revenue	-	424,229	-	-	-	-	424,229
Due to other funds	-	2,302,157	-	1,033,653	-	-	3,335,810
Due to Teachers' Retirement System	2,312,368	-	-	-	-	-	2,312,368
Due to Employees' Retirement System	136,590	-	-	-	-	-	136,590
TOTAL LIABILITIES	4,355,050	2,754,758	76,845	1,105,865	-	-	8,292,518

(Continued)

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2022

	Governmental Fund Types						Total Governmental Funds
	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Miscellaneous Special Revenue</u>	<u>Debt Service</u>	
FUND BALANCE:							
Nonspendable:							
Prepaid expenditures	\$ 8,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,755
Inventory	<u>-</u>	<u>-</u>	<u>27,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,481</u>
Total nonspendable fund balance	<u>8,755</u>	<u>-</u>	<u>27,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,236</u>
Restricted:							
Workers' compensation	207,058	-	-	-	-	-	207,058
Retirement contributions	1,230,938	-	-	-	-	-	1,230,938
Employee benefits and accrued liabilities	417,010	-	-	-	-	-	417,010
Tax certiorari	762,115	-	-	-	-	-	762,115
Repairs	1,000,258	-	-	-	-	-	1,000,258
Other	-	-	-	-	205,013	-	205,013
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,775,371</u>	<u>6,775,371</u>
Total restricted fund balance	<u>3,617,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,013</u>	<u>6,775,371</u>	<u>10,597,763</u>
Assigned:							
Other	1,357,723	-	1,400,365	-	-	-	2,758,088
Appropriated for subsequent year expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total assigned fund balance	<u>2,357,723</u>	<u>-</u>	<u>1,400,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,758,088</u>
Unassigned	<u>3,888,707</u>	<u>-</u>	<u>-</u>	<u>(978,035)</u>	<u>-</u>	<u>-</u>	<u>2,910,672</u>
TOTAL FUND BALANCE	<u>9,872,564</u>	<u>-</u>	<u>1,427,846</u>	<u>(978,035)</u>	<u>205,013</u>	<u>6,775,371</u>	<u>17,302,759</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,227,614</u>	<u>\$ 2,754,758</u>	<u>\$ 1,504,691</u>	<u>\$ 127,830</u>	<u>\$ 205,013</u>	<u>\$ 6,775,371</u>	<u>\$ 25,595,277</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2022

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

Total governmental fund balance	\$ 17,302,759
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	66,725,550
Pension related government-wide activity	
Deferred outflows - ERS/TRS	12,661,300
Deferred inflows - ERS/TRS	(23,983,100)
Net pension asset - ERS/TRS	19,694,412
OPEB related government-wide activity	
Total OPEB liability	(64,558,113)
Deferred outflows - OPEB	23,122,925
Deferred inflows - OPEB	(46,606,901)
Long-term bonds payable are not due in the current period and, therefore, are not reported in the funds	(24,200,000)
Bond premiums are recognized as revenue in the fund financial statements, but are amortized over the life of the bond under full accrual accounting.	(1,964,639)
Compensated absences are recognized as a liability under full accrual accounting	(50,654)
Interest payable at June 30, 2022, in the government-wide statements under full accrual accounting	<u>(49,516)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (21,905,977)</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	Debt Service	
REVENUE:							
Real property taxes	\$ 14,440,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,440,391
Other tax items	1,807,702	-	-	-	-	-	1,807,702
Charges for services	156,934	-	-	-	-	-	156,934
Use of money and property	708	-	-	-	-	526	1,234
Sale of property and compensation for loss	422,335	-	-	-	-	-	422,335
Miscellaneous	1,276,813	-	605	101	71,269	-	1,348,788
State sources	34,264,932	920,887	28,928	-	-	-	35,214,747
Medicaid reimbursement	227,607	-	-	-	-	-	227,607
Federal sources	812,079	5,121,104	1,507,504	-	-	-	7,440,687
Sales - School lunch	-	-	29,026	-	-	-	29,026
Total revenue	<u>53,409,501</u>	<u>6,041,991</u>	<u>1,566,063</u>	<u>101</u>	<u>71,269</u>	<u>526</u>	<u>61,089,451</u>
EXPENDITURES:							
General support	5,680,164	507,501	-	-	-	-	6,187,665
Instruction	26,753,447	5,889,274	-	-	-	-	32,642,721
Pupil transportation	4,062,455	45,179	-	-	-	-	4,107,634
Employee benefits	10,624,151	-	15,117	-	-	-	10,639,268
Debt service - Interest	1,346,275	-	-	-	-	-	1,346,275
Debt service - Principal	3,465,000	-	-	-	-	-	3,465,000
Other	-	-	-	-	66,014	-	66,014
Cost of Sales	-	-	1,233,567	-	-	-	1,233,567
Capital outlay	-	-	-	769,815	-	-	769,815
Total expenditures	<u>51,931,492</u>	<u>6,441,954</u>	<u>1,248,684</u>	<u>769,815</u>	<u>66,014</u>	<u>-</u>	<u>60,457,959</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,478,009</u>	<u>(399,963)</u>	<u>317,379</u>	<u>(769,714)</u>	<u>5,255</u>	<u>526</u>	<u>631,492</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in	-	399,963	-	-	-	-	399,963
Operating transfers (out)	(399,963)	-	-	-	-	-	(399,963)
Total other financing sources (uses)	<u>(399,963)</u>	<u>399,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>1,078,046</u>	<u>-</u>	<u>317,379</u>	<u>(769,714)</u>	<u>5,255</u>	<u>526</u>	<u>631,492</u>
FUND BALANCE - beginning of year	<u>8,794,518</u>	<u>-</u>	<u>1,110,467</u>	<u>(208,321)</u>	<u>199,758</u>	<u>6,774,845</u>	<u>16,671,267</u>
FUND BALANCE - end of year	<u>\$ 9,872,564</u>	<u>\$ -</u>	<u>\$ 1,427,846</u>	<u>\$ (978,035)</u>	<u>\$ 205,013</u>	<u>\$ 6,775,371</u>	<u>\$ 17,302,759</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Net changes in fund balance - Total governmental funds	\$ 631,492
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	1,125,045
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(2,053,973)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(60,476)
Leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position.	12,171
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,465,000
Bond premium amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	278,519
Compensated absences are recorded as expenditures in the governmental funds at the time of payment, but are recorded as liabilities in the statement of net position	10,750
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(3,272,435)
Pension expense resulting from GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	3,659,391
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>6,579</u>
Change in net position - Governmental activities	<u>\$ 3,802,063</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2022**

	Private Purpose <u>Trusts</u>
ASSETS:	
Cash - restricted	\$ <u>3,000</u>
LIABILITIES:	
Other liabilities	<u>-</u>
NET POSITION:	
Restricted for scholarships	\$ <u><u>3,000</u></u>

LANSINGBURGH CENTRAL SCHOOL DISTRICT

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

	Private Purpose <u>Trusts</u>
ADDITIONS:	
Contributions	\$ <u>-</u>
DEDUCTIONS:	
Scholarships	<u>-</u>
NET DECREASE	-
NET POSITION - beginning of year	<u>3,000</u>
NET POSITION - end of year	\$ <u><u>3,000</u></u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lansingburgh Central School District (School District) provides K-12 public education to students living within its geographic borders.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 utilized by the School District are described below:

Reporting Entity

Lansingburgh Central School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education (Board). The President of the Board of Education 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 School District. The Board of Education has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). 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 School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of an entity included in the School District's reporting entity:

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The School District is a component School District in Questar III, a Board of Cooperative Education Services (BOCES). 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.

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 also 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.

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

Financial statements for the BOCES are available from the BOCES administrative office.

Basis of Presentation

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the School 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 revenue, 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 activities presents a comparison between program expenses and revenue for each function of the School 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 revenue 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the School 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.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The accounts of the School District are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the School District are as follows:

Governmental Fund Types

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities (except those accounted for in the fiduciary funds) are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The following are the School District's major governmental fund types:

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

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

School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

Miscellaneous Special Revenue: This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

The School District reports the following fiduciary fund:

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

Private purpose trust fund: This fund is 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 School District or representatives of the donors may serve on committees to determine who benefits.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within ninety days after the end of the fiscal year.

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 leases are reported as other financing sources.

Cash

The School District's cash consists 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 School District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Inventory

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

Interfund Transactions

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

In the Government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types. Eliminations have been made for all interfund receivables and payables between the funds.

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

Capital Assets, Net

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2013. For assets acquired prior to July 1, 2013, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	SL	15-50
Building improvements	\$ 5,000	SL	15-50
Site Improvements	\$ 5,000	SL	15-50
Furniture and equipment	\$ 5,000	SL	5-15

Capital assets also include lease assets with terms greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by the County of Rensselaer (County) in which the School District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

Compensated absences

Compensated absences consist of unpaid accumulated annual vacation time.

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

The liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other Benefits

School District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School 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 School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Unearned Revenue

Unearned revenue is reported when potential revenue meets both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the Government-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, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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 School 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.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the School 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.

Fund Balance/Net Position Classifications

Government-Wide Statements

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

Net investment in capital assets - consists of net capital assets, (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

Restricted net position - reports net position when constraints placed on the assets 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. Restricted net position consists of the non-spendable and restricted fund balance categories on the Fund financial statements.

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

Governmental Fund Statements

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 are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenditures in the general fund.

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

Repair

Repair reserve (GML §6-d) is 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. This reserve is accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Workers' Compensation

Workers' compensation reserve (GML §6-j) is 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. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance

Unemployment insurance reserve (GML §6-m) is 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 School 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. This reserve is accounted for in the general fund under restricted fund balance.

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School 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. The reserve is accounted for in the debt service fund under restricted fund balance.

Insurance

Insurance reserve is 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. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss

Liability claims and property loss reserve, (Education Law §1709(8) (c), are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims 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 greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Tax Certiorari

Tax certiorari reserve, (Education Law §3651.1-a), is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari 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. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds 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. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

Retirement Contribution Reserve (GML §6-r) is used for the purpose of 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. This reserve is accounted for in the general fund under restricted fund balance.

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. As of June 30, 2022, the School District's general fund encumbrances were classified as follows:

General support	\$ 541,311
Instruction	756,729
Employee benefits	3
Pupil transportation	<u>59,680</u>
Total encumbrances	<u>\$ 1,357,723</u>

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 expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Unassigned fund balance - 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.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the 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.

Order of Fund Balance Spending Policy

The School 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 assigned 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.

Fund Deficits

The Capital Projects Fund had a deficit fund balance of \$978,035 which will be eliminated as debt is issued.

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

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

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

Total fund balances of the School 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. Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences

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

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

Statement of Revenue, Expenditures, and Change in Fund Balance vs. Statement of Activities

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas 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.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the School District approved the proposed appropriations budget for the General Fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that 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. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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.

Fund Balance

Portions of fund balances are restricted and not available for current expenditures, as reported in the governmental funds' balance sheet.

4. CASH

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these Notes.

The School District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash, including trust funds	\$ <u>19,687,692</u>	\$ <u>18,351,141</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	\$ 19,187,692	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 19,687,692</u>	

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Restricted cash consists of the following:

General fund:

Workers' compensation	\$ 207,058
Retirement contributions	1,230,938
Employee benefits accrued liabilities	417,010
Tax certiorari	762,115
Repairs	<u>1,000,258</u>
	<u>\$ 3,617,379</u>

Debt Service fund:

Debt service	<u>\$ 5,741,718</u>
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Miscellaneous Special Revenue fund:

Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 205,013</u>
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5. PARTICIPATION IN BOCES

During the year, the School District was billed \$4,292,412 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$1,588,541.

6. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning <u>Balance</u> (Restated)	<u>Additions</u>	Retirements/ <u>Reclassifications</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 221,200	\$ -	\$ -	\$ 221,200
Construction in progress	1,481,558	769,815	272,927	1,978,446
Total non-depreciable cost	<u>1,702,758</u>	<u>769,815</u>	<u>272,927</u>	<u>2,199,646</u>
Capital assets that are depreciated:				
Buildings and improvements	83,098,320	209,112	138,205	83,169,227
Furniture and equipment	4,529,163	434,688	17,525	4,946,326
Total depreciable historical cost	<u>87,627,483</u>	<u>643,800</u>	<u>155,730</u>	<u>88,115,553</u>
Less accumulated depreciation:				
Buildings and improvements	17,301,830	1,784,530	138,205	18,948,155
Furniture and equipment	4,449,138	269,443	1,882	4,716,699
Total accumulated depreciation	<u>21,750,968</u>	<u>2,053,973</u>	<u>140,087</u>	<u>23,664,854</u>
Total capital assets, net	<u>67,579,273</u>	<u>(640,358)</u>	<u>288,570</u>	<u>66,650,345</u>
Leased assets, being amortized				
Equipment	123,510	12,171	-	135,681
Less accumulated amortization for:				
Equipment	-	60,476	-	60,476
Total leased assets, being amortized, net	<u>123,510</u>	<u>(48,305)</u>	<u>-</u>	<u>75,205</u>
Total governmental activities, capital assets	<u>\$ 67,702,783</u>	<u>\$ (688,663)</u>	<u>\$ 288,570</u>	<u>\$ 66,725,550</u>

Depreciation and amortization for the year ended June 30, 2022, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 749,002	\$ -
Instruction	1,277,705	60,476
School Lunch	27,266	-
Total	<u>\$ 2,053,973</u>	<u>\$ 60,476</u>

7. SHORT-TERM DEBT

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

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

At June 30, 2022, the School District had no short term debt outstanding.

8. LONG-TERM DEBT

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

Interest paid	\$ 1,346,275
Less: interest accrued in the prior year	(56,095)
Less: amortization expense on bond premium	(278,519)
Plus: interest accrued in the current year	<u>49,516</u>
Total expense	<u>\$ 1,061,177</u>

8. LONG-TERM DEBT (Continued)

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

	July 01, 2021			June 30, 2022	Amounts	
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due Within</u>	<u>Long-term</u>
					<u>One Year</u>	<u>Portion</u>
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 27,665,000	\$ -	\$ 3,465,000	\$ 24,200,000	\$ 3,210,000	\$ 20,990,000
Bond premium	2,243,158	-	278,519	1,964,639	-	1,964,639
Other long-term debt:						
Compensated absences	61,404	-	10,750	50,654	-	50,654
Total OPEB liability	<u>106,115,755</u>	<u>-</u>	<u>41,557,642</u>	<u>64,558,113</u>	<u>-</u>	<u>64,558,113</u>
Total long-term liabilities	<u>\$136,085,317</u>	<u>\$ -</u>	<u>\$ 45,311,911</u>	<u>\$ 90,773,406</u>	<u>\$ 3,210,000</u>	<u>\$ 87,563,406</u>

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

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2022
				<u>Balance</u>
Refunding bond	2017	2023	4.00%	\$ 540,000
Refunding bond	2017	2025	2.00-5.00%	2,195,000
Serial bond	2015	2030	3.00-5.00%	9,600,000
Serial bond	2020	2035	5.00%	<u>11,865,000</u>
				<u>\$ 24,200,000</u>

8. LONG-TERM DEBT (Continued)

The following is a summary of the maturity of bonds payable:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,210,000	\$ 1,188,375	\$ 4,398,375
2024	2,810,000	1,033,275	3,843,275
2025	2,090,000	892,875	2,982,875
2026	1,975,000	788,375	2,763,375
2027	2,065,000	689,625	2,754,625
2028-2032	8,970,000	1,894,125	10,864,125
2033-2035	<u>3,080,000</u>	<u>289,000</u>	<u>3,369,000</u>
Totals	<u>\$ 24,200,000</u>	<u>\$ 6,775,650</u>	<u>\$ 30,975,650</u>

9. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are eliminated on the statement of net position.

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

The following is a summary of interfund activity:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 2,302,157	\$ -	\$ -	\$ 399,963
Special aid fund	-	2,302,157	399,963	-
Debt service fund	1,033,653	-	-	-
Capital fund	<u>-</u>	<u>1,033,653</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 3,335,810</u>	<u>\$ 3,335,810</u>	<u>\$ 399,963</u>	<u>\$ 399,963</u>

All interfund payables are expected to be repaid within one year.

10. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2022	\$ 331,764
2021	\$ 537,923
2020	\$ 471,918

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

At June 30, 2022, the School District reported a net pension asset of \$675,277 for its proportionate share of the ERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2021. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 and 2021, the School District's proportion was .0082607% and .0101932%, respectively, which were measured at March 31, 2022 and 2021, respectively.

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2022, the School District recognized pension expense of \$63,264. At June 30, 2022, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,140	\$ 66,331
Changes of Assumptions	1,126,961	19,016
Net difference between projected and actual earnings on pension plan investments	-	2,211,250
Changes in proportion and differences between the District's contributions and proportionate share of contributions	148,336	149,538
Contributions subsequent to the measurement date	136,590	-
Total	<u>\$ 1,463,027</u>	<u>\$ 2,446,135</u>

The School District recognized \$136,590 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31,	2023	\$ (151,622)
	2024	(245,710)
	2025	(582,486)
	2026	(139,880)
	Thereafter	-
		<u>\$ (1,119,698)</u>

Actuarial Assumptions

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7 percent
Salary scale	4.4 percent indexed by service
Projected COLAs	1.4% compounded annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return</u>
Domestic Equity	32.0	3.30%
International Equity	15.0	5.85%
Private Equity	10.0	6.50%
Real Estate	9.0	5.00%
Opportunistic/ARS portfolio	3.0	4.10%
Real Assets	3.0	5.80%
Credit	4.0	3.78%
Cash	1.0	-1.00%
Fixed Income	23.0	0.00%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 5.90%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (4.90%)</u>	<u>Current Discount (5.90%)</u>	<u>1% Increase (6.90%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 1,738,156</u>	<u>\$ (675,277)</u>	<u>\$ (2,693,997)</u>

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of the employers as of March 31, 2022, was as follows (in thousands):

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 223,874,888
Net position	232,049,473
Net pension liability (asset)	\$ (8,174,585)
ERS net position as a percentage of total pension liability	103.65%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>
2022	\$ 2,037,379
2021	\$ 1,775,305
2020	\$ 1,632,443

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

At June 30, 2022, the School District reported an asset of \$19,019,135 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 and 2021, the School District's proportionate share was 0.109753% and 0.108553%, respectively, which were measured at June 30, 2021 and 2020, respectively.

For the year ended June 30, 2022, the School District recognized pension income of \$(1,257,075). At June 30, 2022 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 2,621,586	\$ 98,813
Changes of Assumptions	6,255,791	1,107,809
Net difference between projected and actual earnings on pension plan investments	-	19,905,493
Changes in proportion and differences between the District's contributions and proportionate share of contributions	8,529	424,850
Contributions subsequent to the measurement date	<u>2,312,367</u>	<u>-</u>
Total	<u>\$ 11,198,273</u>	<u>\$ 21,536,965</u>

The School District recognized \$2,312,367 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2021, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending June 30,	2022	\$ (2,563,121)
	2023	(2,998,237)
	2024	(3,737,504)
	2025	(4,865,793)
	2026	885,500
	Thereafter	<u>628,096</u>
		<u>\$ (12,651,059)</u>

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2020 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return</u>
Domestic Equity	33.0	6.8%
International Equity	16.0	7.6%
Global Equity	4.0	7.1%
Real Estate Equity	11.0	6.5%
Private Equity	8.0	10.0%
Domestic Fixed Income	16.0	1.3%
Global Bonds	2.0	0.8%
Private Debt	1.0	5.9%
Real Estate Debt	7.0	3.3%
High-Yield Bonds	1.0	3.8%
Cash Equivalents	1.0	-0.2%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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 (Asset) to the Discount Rate Assumption

The following presents the net pension liability (asset) of the School District using the discount rate of 6.95%, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(5.95%)</u>	Current Discount <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ (1,995,781)</u>	<u>\$ (19,019,135)</u>	<u>\$ (33,326,029)</u>

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the School District as of June 30, 2021, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 130,819,415,417
Net position	148,148,457,363
Net pension liability (asset)	<u>\$ (17,329,041,946)</u>
TRS net position as a percentage of total pension liability	113.25%

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District provides for postretirement medical benefits to retiring employees on or after age 55. When a retiree reaches age 65, Medicare will provide primary coverage, except as otherwise provided by law. Dental, vision and additional prescription drug coverage is available to retirees, however, retirees pay 100% of those costs. Retirees may apply the value of eligible sick leave credits against premiums due. Once sick leave credits have been exhausted the School District will generally contribute 50% of medical premiums for individual coverage and 35% of medical premiums for dependent coverage. The Plan can be amended by action of the School District through agreements with different bargaining units. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare 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 School District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries	
currently receiving benefits	176
Active employees	<u>367</u>
Total participants	<u><u>543</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$64,558,113 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent per year
Discount Rate	4.09 percent as of June 30, 2022
Healthcare Cost Trend Rates	8.0 percent for current year, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2025 and later years
Participation rate	Assumed that 100% of future retirees eligible for coverage will elect the benefit.

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

Mortality rates were PUB-2010 mortality table projected to the valuation date with Scale MP-2021.

Changes in the Total OPEB Liability

Balance at July 1, 2021	<u>\$ 106,115,755</u>
Changes for the Year	
Service cost	4,977,513
Interest	2,297,138
Changes in assumptions or other inputs	(29,991,205)
Differences between expected and actual experience	(17,356,192)
Benefit payments	<u>(1,484,896)</u>
Net changes	<u>(41,557,642)</u>
Balance at June 30, 2022	<u>\$ 64,558,113</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.18% in 2021 to 4.09% in 2022.

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount (4.09%)	1% Increase (5.09%)
Total OPEB Liability	<u>\$ 77,956,083</u>	<u>\$ 64,558,113</u>	<u>\$ 54,192,362</u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the School District, as well as what the School 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 <u>(7.0%)</u>	Healthcare Trend Rate <u>(8.0%)</u>	1% Increase <u>(9.0%)</u>
Total OPEB Liability	\$ <u>53,642,495</u>	\$ <u>64,558,113</u>	\$ <u>79,098,954</u>

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$4,757,331. At June 30, 2022, the School 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	\$ 13,378,777	\$ 19,948,052
Changes of assumptions	<u>9,744,148</u>	<u>26,658,849</u>
Total	<u>\$ 23,122,925</u>	<u>\$ 46,606,901</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>Fiscal Year Ending June</u>	<u>Amount</u>
2023	\$ (2,517,320)
2024	(2,517,320)
2025	(2,517,320)
2026	(2,517,320)
2027	(2,517,320)
Thereafter	<u>(10,897,376)</u>
	<u>\$ (23,483,976)</u>

12. RISK MANAGEMENT

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

Claims are recognized as expenditures when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At June 30, 2022, management estimates there are no outstanding claims liabilities.

13. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The School District has 3 real property tax abatement agreement that 2 are entered into by the City of Troy and 1 by the Rensselaer County. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) in accordance with the Tax Exemption Policy.

PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, development of a new facility, or the improvement or expansion of an existing facility to promote job creation or retention. There are no policies for recapture of PILOTs should the applicant not meet certain criteria.

The following are the three PILOT agreements and the amount of real property tax that has been abated for the year ended June 30, 2022.

Purpose	Assessed Taxable Value	Tax Value	PILOT Received	Amount of Tax Abated
City of Troy :				
Diamond Rock Terrace Phase I	\$ 2,915,000	\$ 240,317	\$ 36,163	\$ 204,154
Diamond Rock Terrace Phase II	\$ 966,800	\$ 79,705	\$ 15,498	\$ 64,207
Rensselaer County:				
Ross Valve	\$ 1,700,000	\$ 35,678	\$ 35,678	\$ -

14. CONTINGENCIES AND COMMITMENTS

Other Contingencies

The School 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 School District's administration believes disallowances, if any, will be immaterial.

Litigation

The School District is subject to various claims including tax certiorari, special education placements and other liability. In the opinion of the School District's legal counsel, any potential settlements in excess of insurance coverage where applicable, would not be material.

Commitments

The School District has various commitments with contractors for the completion of capital projects over the next several years.

15. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use and underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes were incorporated in the School District's financial statements and had an effect on the beginning net position of the governmental activities.

	<u>Net Position</u>
Balance at June 30, 2021, as originally stated	\$ (25,831,550)
Restatement of beginning balance - Adoption of GASB Statement No. 87	
Adjustments:	
Net book value leased asset	123,510
Balance at July 1, 2021, as restated	<u>\$ (25,708,040)</u>

16. SUBSEQUENT EVENTS

On July 14, 2022, the School District issued a \$12,000,000 bond anticipation note at 3.25% maturing July 14, 2023.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 14,437,836	\$ 14,437,836	\$ 14,440,391	\$ -	\$ 2,555
Other tax items	1,799,482	1,799,482	1,807,702	-	8,220
Charges for services	295,500	295,500	156,934	-	(138,566)
Use of money and property	5,000	5,000	708	-	(4,292)
Sale of property and compensation for loss	412,000	412,000	422,335	-	10,335
Miscellaneous	<u>333,500</u>	<u>333,500</u>	<u>1,276,813</u>	-	<u>943,313</u>
Total local sources	17,283,318	17,283,318	18,104,883	-	821,565
State sources	35,598,815	35,598,815	34,264,932	-	(1,333,883)
Medicaid reimbursement	150,000	150,000	227,607	-	77,607
Federal sources	<u>867,045</u>	<u>867,045</u>	<u>812,079</u>	-	<u>(54,966)</u>
Total revenue	<u>53,899,178</u>	<u>53,899,178</u>	<u>53,409,501</u>	-	<u>(489,677)</u>

(Continued)

See the independent auditor's report

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)

(Continued)

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 8,300	\$ 13,128	\$ 6,832	\$ 1,000	\$ 5,296
Central administration	375,194	391,754	391,044	-	710
Finance	808,370	915,525	833,970	46,901	34,654
Staff	182,145	186,575	179,030	-	7,545
Central services	3,333,870	4,073,070	3,496,749	479,430	96,891
Special items	<u>843,780</u>	<u>852,727</u>	<u>772,539</u>	<u>13,980</u>	<u>66,208</u>
Total general support	<u>5,551,659</u>	<u>6,432,779</u>	<u>5,680,164</u>	<u>541,311</u>	<u>211,304</u>
INSTRUCTION:					
Instruction, administration, and improvement	1,617,739	2,003,047	1,491,170	765	511,112
Teaching - Regular school	14,204,942	13,990,359	12,986,799	255,835	747,725
Programs for children with handicapping conditions	8,975,944	8,789,600	8,497,171	205,346	87,083
Occupational education	954,153	979,500	884,736	-	94,764
Teaching - Special school	50,004	50,004	43,999	32,928	(26,923)
Instructional media	775,323	887,877	663,867	229,710	(5,700)
Pupil services	<u>2,156,422</u>	<u>2,270,384</u>	<u>2,185,705</u>	<u>32,145</u>	<u>52,534</u>
Total instruction	28,734,527	28,970,771	26,753,447	756,729	1,460,595
Pupil transportation	4,757,374	4,715,617	4,062,455	59,680	593,482
Employee benefits	10,804,024	10,795,269	10,624,151	3	171,115
Debt service - principal	3,465,000	3,473,755	3,465,000	-	8,755
Debt service - Interest	<u>1,346,275</u>	<u>1,346,275</u>	<u>1,346,275</u>	<u>-</u>	<u>-</u>
Total expenditures	54,658,859	55,734,466	51,931,492	1,357,723	2,445,251
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	100,000	100,000	-	-	(100,000)
Transfers to other funds	<u>(90,319)</u>	<u>(399,963)</u>	<u>(399,963)</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>54,649,178</u>	<u>56,034,429</u>	<u>52,331,455</u>	<u>1,357,723</u>	<u>2,345,251</u>
NET CHANGE IN FUND BALANCE	(750,000)	(2,135,251)	1,078,046	(1,357,723)	1,855,574
FUND BALANCE - beginning of year	<u>8,794,518</u>	<u>8,794,518</u>	<u>8,794,518</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 8,044,518</u>	<u>\$ 6,659,267</u>	<u>\$ 9,872,564</u>	<u>\$ (1,357,723)</u>	<u>\$ 1,855,574</u>

See the independent auditor's report

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)							
	2022	2021	2020	2019	2018	2017	2016	2015
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN								
Proportion of the net pension liability (asset)	0.0082607%	0.0101932%	0.0101895%	0.0102820%	0.0097253%	0.0091649%	0.0092618%	0.0092052%
Proportionate share of the net pension liability (asset)	\$ (675)	\$ 10	\$ 2,698	\$ 729	\$ 314	\$ 861	\$ 1,487	\$ 416
Covered-employee payroll	\$ 2,858	\$ 3,481	\$ 3,338	\$ 3,249	\$ 3,160	\$ 2,524	\$ 2,520	\$ 2,668
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-23.63%	0.29%	80.83%	22.44%	9.94%	34.11%	59.01%	15.59%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN								
Proportion of the net pension liability (asset)	0.109753%	0.108553%	0.108041%	0.024270%	0.099136%	0.097670%	0.098255%	0.098159%
Proportionate share of the net pension liability (asset)	\$ (19,019)	\$ 3,000	\$ (2,807)	\$ (1,852)	\$ (754)	\$ 1,046	\$ (10,206)	\$ (10,934)
Covered-employee payroll	\$ 20,790	\$ 18,629	\$ 18,425	\$ 16,684	\$ 15,708	\$ 15,071	\$ 14,758	\$ 14,500
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-91.48%	16.10%	-15.23%	-11.10%	-4.80%	6.94%	-69.16%	-75.41%
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 332	\$ 538	\$ 472	\$ 448	\$ 416	\$ 384	\$ 429	\$ 438
Contributions in relation to the contractually required contribution	<u>332</u>	<u>538</u>	<u>472</u>	<u>448</u>	<u>416</u>	<u>384</u>	<u>429</u>	<u>438</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,858	\$ 3,481	\$ 3,338	\$ 3,249	\$ 3,160	\$ 2,524	\$ 2,520	\$ 2,668
Contributions as a percentage of covered-employee payroll	11.61%	15.45%	14.14%	13.79%	13.16%	15.21%	17.02%	16.42%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,037	\$ 1,775	\$ 1,632	\$ 1,635	\$ 1,841	\$ 1,998	\$ 2,587	\$ 2,356
Contributions in relation to the contractually required contribution	<u>2,037</u>	<u>1,775</u>	<u>1,632</u>	<u>1,635</u>	<u>1,841</u>	<u>1,998</u>	<u>2,587</u>	<u>2,356</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 20,790	\$ 18,629	\$ 18,425	\$ 16,684	\$ 15,708	\$ 15,071	\$ 14,758	\$ 14,500
Contributions as a percentage of covered-employee payroll	9.80%	9.53%	8.86%	9.80%	11.72%	13.26%	17.53%	16.25%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	Last 10 Fiscal Years*				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 4,977,513	\$ 4,614,554	\$ 2,930,134	\$ 2,493,034	\$ 2,439,120
Interest	2,297,138	2,579,947	2,223,286	2,004,188	1,834,513
Differences between expected and actual experience	(17,356,192)	(5,811,848)	11,150,981	6,329,954	2,506,368
Changes in assumptions	(29,991,205)	8,369,100	2,227,734	2,749,516	-
Benefit payments	<u>(1,484,896)</u>	<u>(1,252,998)</u>	<u>(1,205,587)</u>	<u>(1,081,736)</u>	<u>(1,090,704)</u>
Total change in total OPEB liability	(41,557,642)	8,498,755	17,326,548	12,494,956	5,689,297
Total OPEB liability - beginning	<u>106,115,755</u>	<u>97,617,000</u>	<u>80,290,452</u>	<u>67,795,496</u>	<u>62,106,199</u>
Total OPEB liability - ending	<u>\$ 64,558,113</u>	<u>\$ 106,115,755</u>	<u>\$ 97,617,000</u>	<u>\$ 80,290,452</u>	<u>\$ 67,795,496</u>
Covered-employee payroll	\$ 26,428,760	\$ 22,510,572	\$ 23,774,268	\$ 23,018,142	\$ 21,374,492
Total OPEB liability as a percentage of covered-employee payroll	244.27%	471.40%	410.60%	348.81%	317.18%
Notes to schedule:					
Changes of assumptions:					
Discount rate	4.09%	2.18%	2.66%	2.79%	2.98%

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

OTHER INFORMATION (UNAUDITED)

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 54,749,178
Add: Prior year's encumbrances	<u>1,385,251</u>
Original budget	56,134,429
Budget revisions:	<u>-</u>
Final budget	<u>\$ 56,134,429</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 voter-approved expenditure budget	\$ 57,383,864	
Maximum allowed (4% of 2022-2023 budget)		<u>\$ 2,295,355</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 2,357,723
Unassigned fund balance	<u>3,888,707</u>
	<u>\$ 6,246,430</u>

Less:

Appropriated fund balance	\$ 1,000,000
Encumbrances included in assigned fund balance	<u>1,357,723</u>
Total adjustments	<u>\$ 2,357,723</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,888,707</u>
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Actual percentage	6.78%
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* 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.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
 FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original <u>Appropriation</u>	Revised <u>Appropriation</u>	<u>Expenditures</u>			Unexpended <u>Balance</u>	Proceeds of <u>Obligations</u>	<u>Methods of Financing</u>			Fund Balance <u>June 30, 2022</u>
			Prior <u>Years</u>	Current <u>Year</u>	<u>Total</u>			State <u>Aid</u>	Local <u>Sources</u>	<u>Total</u>	
TES Additions	\$ 18,500,000	\$ 18,141,539	\$ 17,084,643	\$ -	\$ 17,084,643	\$ 1,056,896	\$ 15,588,384	\$ 1,857,689	\$ -	\$ 17,446,073	\$ 361,430
RPES Additions	15,497,658	-	6,927	513,889	520,816	(520,816)	-	-	-	-	(520,816)
KMS Flooring	200,000	51,000	55,258	-	55,258	(4,258)	-	-	51,536	51,536	(3,722)
KMS Boiler	300,000	248,178	272,928	-	272,928	(24,750)	-	-	271,563	271,563	(1,365)
LHS Tile Work I	10,000	63,840	62,990	28,621	91,611	(27,771)	-	-	62,990	62,990	(28,621)
LHS Tile Work II	225,000	225,000	-	227,305	227,305	(2,305)	-	-	-	-	(227,305)
RPES Vestibule I	1,157,369	1,157,369	18,230	-	18,230	1,139,139	-	-	-	-	(18,230)
RPES Vestibule II	<u>1,157,369</u>	<u>1,157,369</u>	<u>1,042,387</u>	<u>-</u>	<u>1,042,387</u>	<u>114,982</u>	<u>290,000</u>	<u>-</u>	<u>212,981</u>	<u>502,981</u>	<u>(539,406)</u>
Total	<u>\$ 37,047,396</u>	<u>\$ 21,044,295</u>	<u>\$ 18,543,363</u>	<u>\$ 769,815</u>	<u>\$ 19,313,178</u>	<u>\$ 1,731,117</u>	<u>\$ 15,878,384</u>	<u>\$ 1,857,689</u>	<u>\$ 599,070</u>	<u>\$ 18,335,143</u>	<u>\$ (978,035)</u>

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

Capital assets, net		\$ 66,725,550
Deduct:		
Bond premium	1,964,639	
Short-term portion of bonds payable	3,210,000	
Long-term portion of bonds payable	<u>20,990,000</u>	26,164,639
Add:		
Unspent bond proceeds		<u>127,830</u>
Net investment in capital assets		<u>\$ 40,688,741</u>

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

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

November 1, 2022

To the Board of Education of
Lansingburgh Central School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lansingburgh Central School District (School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 1, 2022.

Internal Control Over Financial Reporting

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

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

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

(Continued)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as finding 2022-001.

School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

Section I—Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Section II—Financial Statement Findings

**Finding 2022-001 – Stewardship and Compliance
Reported previously as finding 2021-001**

Criteria – The School District’s unrestricted fund balance was outside the NYS Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the School District’s budget for the upcoming year.

Condition – General Fund unrestricted fund balance exceeded the 4% limitation.

Questioned Costs – None

Cause and Effect – The current year surplus resulted in the fund balance exceeding limits.

Recommendation – We recommend that management take the excess fund balance into consideration when preparing future budgets.

Management Response – Management will ensure excess fund balance is taken into effect when preparing future budgets.