IROQUOIS CENTRAL SCHOOL DISTRICT

Financial Statements as of and
for the Year Ended June 30, 2022
Together with Independent
Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

IROQUOIS CENTRAL SCHOOL DISTRICT

Table of Contents
June 30, 2022

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	18
Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds	19
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to Basic Financial Statements	23
Required Supplementary Information (Unaudited)	
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)	56
Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)	57
Schedule of Contributions - Pension Plans (Unaudited)	58
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	59
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	61
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	62

IROQUOIS CENTRAL SCHOOL DISTRICT

Table of Contents
June 30, 2022

	Page
Other Information (Unaudited)	
Schedule of Change From Original Budget to Revised Budget And Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)	64
Schedule of Project Expenditures - Capital Projects Fund (Unaudited)	65
Schedule of Net Investment in Capital Assets (Unaudited)	66
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*	67
Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required By the Uniform Guidance	69
Schedule of Expenditures of Federal Awards	72
Notes to Schedule of Expenditures of Federal Awards	74
Schedule of Findings and Questioned Costs	76

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 5, 2022

To the Board of Education of the
Iroquois 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 Iroquois Central School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the 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 District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 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 opinions.

Change in Accounting Principle

As described in Note 16 to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

171 Sully 's Trail
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

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 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 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 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 information, schedule of contributions - pension plans, schedule of proportionate share of the net pension liability (asset), and schedule of changes in total OPEB liability and related ratios, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund, the 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 October 5, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

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

Financial Highlights

- At June 30, 2022 and 2021, total assets and deferred outflows (what the District owns) exceeded its total liabilities and deferred inflows (what the District owes) by $50,548,624 and $44,747,808 (net position), respectively, an increase of $5,800,816 from 2021 to 2022 operations.

- General revenue, which includes State aid, and property taxes, accounted for $51,192,541 (or 93%), of all revenue. Program specific revenue in the form of Charges for Services and Operating Grants and Contributions accounted for $3,936,847 (or 7%) of total revenue.

- Total expenses for in the district-wide financial statements totaled $50,531,222 and $53,850,555 in 2022 and 2021, respectively.

- As of the close of the fiscal year, the District's governmental funds reported combined fund balances of $9,015,276 and $14,117,555 in 2022 and 2021, respectively, a decrease of $5,102,279 from 2021 to 2022.

Overview of the Financial Statements

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

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are Governmental fund financial statements that focus on individual activities of the District, reporting the operation in more detail than the District-wide statements.

- The Governmental fund statements tell how basic services, such as instruction and support functions, were financed in the short-term, as well as what remains for future spending.

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

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison to the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

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

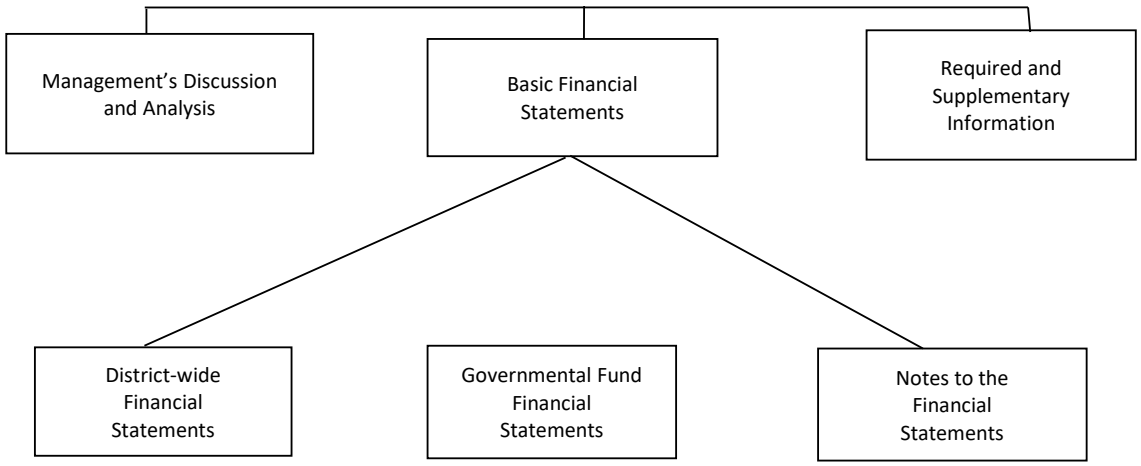


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

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

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the District, such as instruction and special education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balance	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred inflows-outflows of resources/liability information	All assets/deferred outflows of resources and liabilities/deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets/deferred outflows and liabilities/deferred inflows, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the District, additional nonfinancial factors, such as changes in the property tax base and the condition of buildings and other facilities, should be considered.

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

Fund Financial Statements

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

The District has two kinds of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out of the District and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in a reconciliation to the governmental fund statements explain 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 District is the trustee, or fiduciary, for assets that belong to others, such as certain scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

Financial Analysis of the District as a Whole

Our analysis below focuses on the net position (Table A-3) and the change in net position (Table A-4) of the District-wide governmental activities.

Table A-3 Condensed Statements of Net Position - Governmental Activities

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Current Assets	$ 24,775,886	$ 18,100,924	36.9%
Non-current assets	71,329,708	44,365,068	60.8%
Total assets	96,105,594	62,465,992	53.9%
Deferred outflows of resources	14,396,534	14,606,161	-1.4%
Current liabilities	15,791,192	4,008,600	293.9%
Long-term liabilities	17,473,307	21,151,723	-17.4%
Total liabilities	33,264,499	25,160,323	32.2%
Deferred inflows of resources	26,689,005	7,164,022	272.5%
Net position:			
Net investment in capital assets	35,643,479	30,991,007	15.0%
Restricted	5,944,526	6,289,308	-5.5%
Unrestricted	8,960,619	7,467,493	20.0%
Total net position	$ 50,548,624	$ 44,747,808	13.0%

In Table A-3, deferred outflows of resources at June 30, 2022 were approximately $210 thousand lower than at June 30, 2021 as a result of changes in the actuarial valuations for the ERS and TRS pension plans and the District's Other Postemployment Benefits (OPEB) plan. Total assets increased approximately $35 million. At June 30, 2022, there was a net pension asset for both TRS and ERS of $19.3 million and $1.3 million, respectively. At June 30, 2021, the District had a net pension liability for both TRS and ERS of $3 million and $15 thousand, respectively. There was also a $5 million increase in capital assets.

Current liabilities increased approximately $11.8 million dollars. This was primarily due to the District issuing a $9.2 million dollar Bond Anticipation Note in the current year associated with the ongoing capital project. In addition, there was a $1.3 million increase in accounts payable in the Capital Projects fund also associated with this project.

Long-term liabilities decreased approximately $3 million from the prior year. As mentioned previously, the District had net pension liabilities related to both TRS and ERS in the prior year; whereas, in the current year, the District has a net pension asset for both TRS and ERS.

Deferred inflows of resources increased approximately $19.5 million due to mainly to an increase in the deferred inflows related to the District's share in the TRS pension plan, resulting from the updated actuarial valuation for the plan.

Table A-4 Changes in Net Position from Operating Results - Governmental Activities

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Revenue:			
Charges for services	$ 277,675	$ 135,142	105.5%
Operating grants	3,659,172	2,315,324	58.0%
General revenue:			
Real property taxes and tax items	31,810,993	31,245,845	1.8%
Non-property taxes	3,392,696	2,892,044	17.3%
Use of money and property	54,263	32,827	65.3%
Sale of property	18,569	23,594	-21.3%
Miscellaneous	499,709	374,918	33.3%
State sources	15,288,538	15,296,650	-0.1%
Other	127,773	71,961	77.6%
Total Revenue	55,129,388	52,388,305	5.2%
Expenses:			
General governmental support	6,146,524	6,754,296	-9.0%
Instruction	36,836,395	40,374,502	-8.8%
Pupil transportation	2,821,414	2,601,364	8.5%
Interest	346,269	375,670	-7.8%
School lunch program	1,186,764	850,493	39.5%
School store	16,774	14,878	12.7%
Community services	149,332	131,946	13.2%
Unallocated depreciation	3,027,750	2,747,406	10.2%
Total expenses	50,531,222	53,850,555	-6.2%
CHANGE IN NET POSITION	$ 4,598,166	$ (1,462,250)	-414.5%

Changes in Net Position

The District's total fiscal year 2022 revenues totaled $55,129,388. (See Table A-4). The majority of revenues are from property taxes and state aid, which account for 85% of the revenue. Non-property taxes account for another 6% of the revenue and increased 17.3% from the prior year.

The total cost of all programs and services totaled $50,531,222 for fiscal year 2022. These expenses are predominately related to general instruction, which account for 73% of District expenses. (See Table A-6). The District's general support activities accounted for 12% of total costs.

Table A-5 Sources of Revenue for Fiscal Year 2022

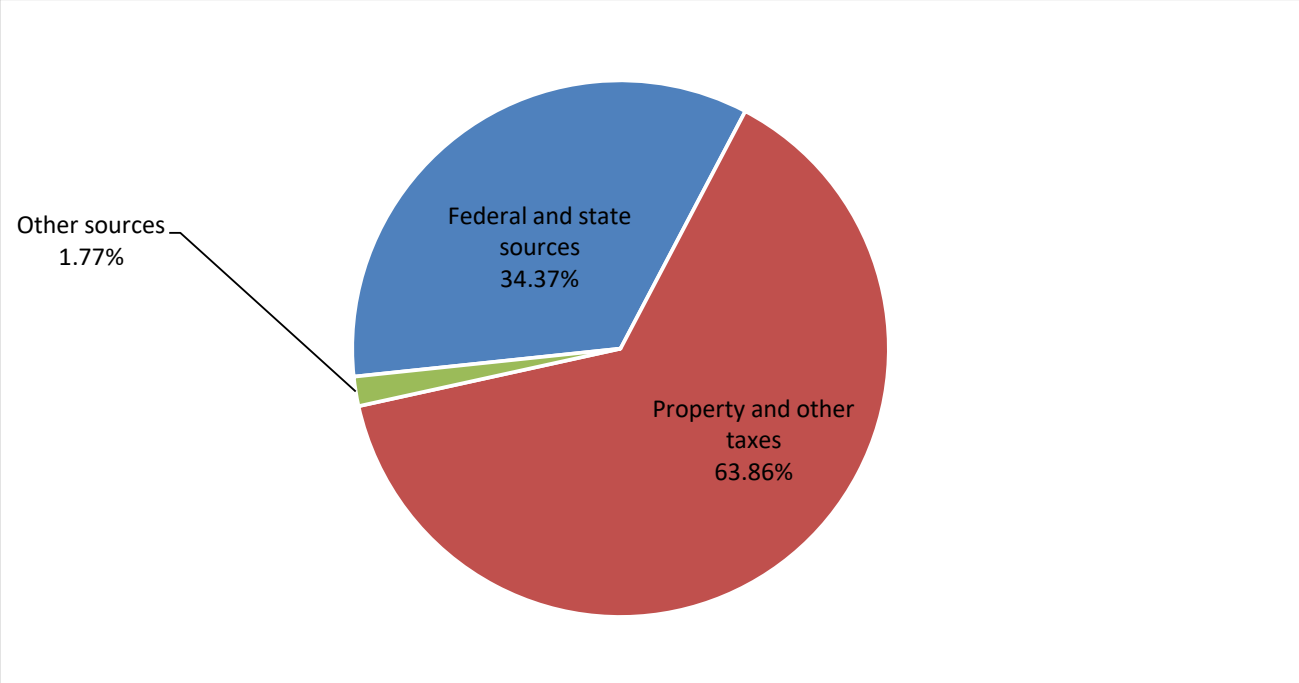
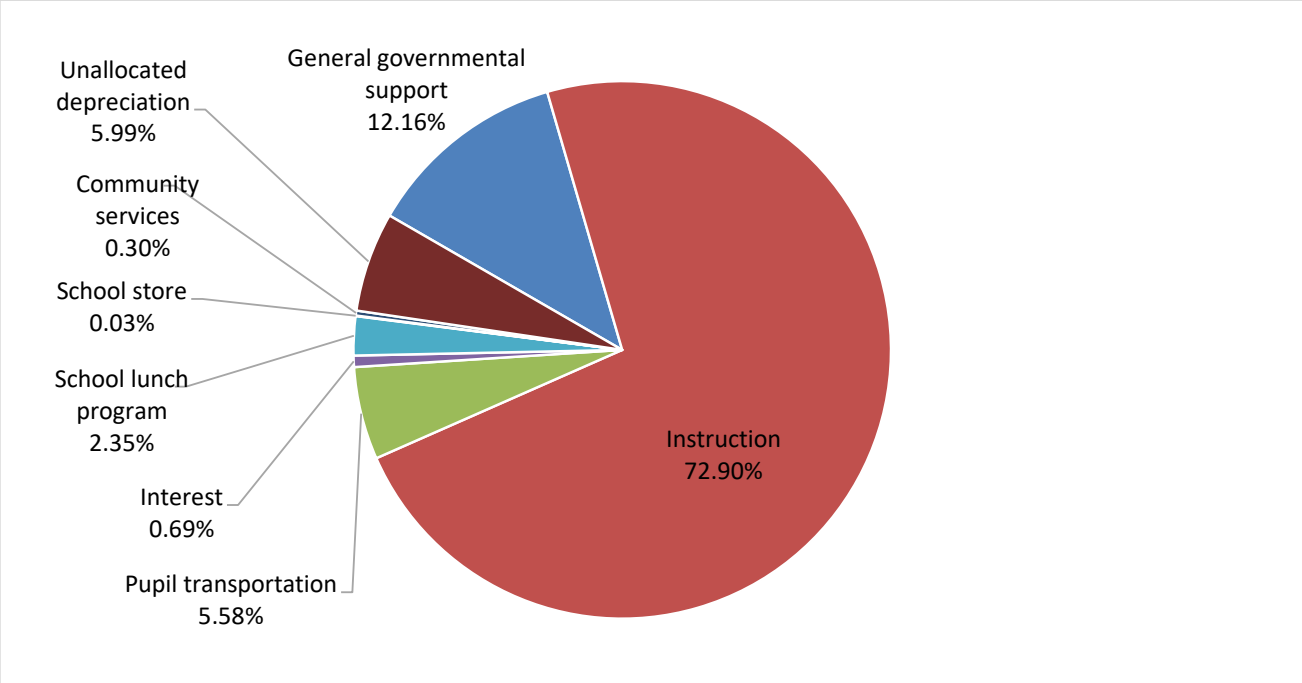


Table A-6 Expenses for Fiscal Year 2022



Financial Analysis of the District's Funds

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

At June 30, 2022, the District, in its governmental funds, reported combined fund balances of $9.0 million, a decrease of approximately $5.1 million from the prior year.

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. Certain variances from budget to actual relate to implementation of GASB 87, *Leases,* including debt service principal and interest.

Table A-7 Results vs. Budget

	Original Budget	Final Budget	Actual	Encumbrances	Positive/ (Negative)
Revenue:					
Local sources	$ 34,965,321	$ 34,965,321	$ 35,709,168	$ -	$ 743,847
State sources	16,575,274	16,575,274	15,288,538	-	(1,286,736)
Federal sources	-	-	40,310	-	40,310
Medicaid reimbursement	100,000	100,000	127,773	-	27,773
Total	51,640,595	51,640,595	51,165,789	-	(474,806)
Expenditures:					
General support	5,998,427	6,587,801	5,307,217	554,619	725,965
Instruction	28,609,979	28,752,952	26,602,178	60,819	2,089,955
Employee benefits	14,072,998	13,601,211	12,922,350	-	678,861
Transportation	2,617,535	2,610,265	2,167,688	15,999	426,578
School store	35,000	35,000	16,774	-	18,226
Community services	8,995	10,782	10,782	-	-
Debt service - principal	-	-	239,052	-	(239,052)
Debt service - interest	-	-	6,410	-	(6,410)
Other financing (sources) uses	2,499,964	2,499,964	2,093,350	-	406,614
Total	53,842,898	54,097,975	49,365,801	631,437	4,100,737
Revenue over (under) expense	$ (2,202,303)	$ (2,457,380)	$ 1,799,988	$ (631,437)	$ 3,625,931

The General fund is the only fund for which a budget is legally adopted. For the purposes of the above analysis the budget columns do not include appropriated fund balance.

The following significant variances between budget and actual occurred during fiscal 2022:

- State sources revenue was lower than budget by approximately $1.3 million due to reduced expense-based aid driven by prior year activities.

- Non-Property tax items was higher than budgeted by approximately $760,000 due to higher than anticipated sales tax collections in Erie County.

- General support expenditures came in approximately $726,000 under budget as a result of lower than expected expenses in facilities maintenance.

- Expenditures related to instruction were approximately $2 million dollars under budget as a result of additional support from ARP and ESSER grants.

- Transportation expenditures were approximately $426,000 lower than budget due to reduced contractual costs.

- Employee Benefits expenditures were approximately $679,000 lower than budget due to lower than expected retirement system expenses and reduced health insurance expense.

All other revenues and all expenditures were closely in line with that budgeted for the year.

Capital Assets
As of June 30, 2022, the District had an investment of $51 million in a broad range of capital assets including land, buildings, site improvements, vehicles and other educational equipment.

Table A-8 Capital Assets (net of depreciation/amortization)

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Category:			
Land	$ 872,363	$ 872,363	0.0%
Construction in progress	8,324,247	1,243,812	100.0%
Buildings and improvements	37,035,332	38,704,819	-4.3%
Land improvements	400,831	548,486	-26.9%
Furniture, fixtures, and equipment	1,037,835	969,883	7.0%
Vehicles	1,984,920	2,025,705	-2.0%
Lease assets	1,050,884	-	100.0%
Total	$ 50,706,412	$ 44,365,068	14.3%

Long-Term Liabilities

At year-end, the District had $11 million in general obligation bonds outstanding and $6 million in other long term liabilities. More detailed information about the District's total long-term liabilities is presented in the notes to the financial statements.

Table A-9 Outstanding Long-Term Liabilities

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Category:			
Serial bonds	$ 11,466,300	$ 12,710,000	-9.8%
Unamortized premium	577,106	664,061	-13.1%
Compensated absences	3,694,832	3,402,240	8.6%
Net pension liability	-	15,486	-100.0%
Total other postemployment benefit liability	1,707,438	1,333,204	28.1%
Lease liability	27,631	-	100.0%
	$ 17,473,307	$ 18,124,991	-3.6%

FACTORS BEARING ON THE FUTURE OF THE DISTRICT

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

- Federal support through CARES Act and the American Rescue Plan will be essential in stabilizing revenues and supporting instructional programs over the next 2-3 years. The district actively monitors enrollment data and will continue to adjust staffing and programs as required.

- The District is confident in its abilities to adapt to future disruptions by having a plans in place to continue instruction to students (whether fully remote or in-school) without significant additional investments in technology.

- The District is striving to achieve financial stability in the face of many financial challenges. These challenges arise from several factors, including State budget issues, the Property Tax Cap legislation and the COVID-19 Pandemic. We will utilize Federal funds to address leaning loss across our District and increase services to address social/emotional health issues, while minimizing the cost impact on District taxpayers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the District and to demonstrate the District's accountability with the funds it receives. If you have any questions about this report or need additional financial information, please contact: Iroquois Central School District, Elma, New York 14059.

IROQUOIS CENTRAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2022

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 7,669,999
Cash and cash equivalents - restricted	14,698,524
Due from Federal and State governments	1,493,076
Due from other governments	879,811
Inventory	34,476
Total current assets	24,775,886
NON-CURRENT ASSETS:	
Net pension asset - ERS	1,256,744
Net pension asset - TRS	19,366,552
Nondepreciable capital assets	9,196,610
Capital assets, net	41,509,802
Total non-current assets	71,329,708
Total assets	96,105,594
DEFERRED OUTFLOWS OF RESOURCES	
Pension related - TRS	10,990,267
Pension related - ERS	2,820,931
Other postemployment benefits	585,336
Total deferred outflows of resources	14,396,534
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	4,355,203
Accrued interest	30,582
Bond anticipation notes payable	9,200,000
Unearned revenue	17,470
Due to other governments	126
Due to Teachers' Retirement System	2,017,444
Due to Employees' Retirement System	170,367
Total current liabilities	15,791,192
LONG-TERM LIABILITIES:	
Due and payable within one year -	
Compensated absences	104,434
Lease liability	12,084
Bonds payable	1,786,300
Total long-term liabilities due and payable within one year	1,902,818
Due and payable after one year -	
Total other postemployment benefit liability	1,707,438
Compensated absences	3,590,398
Lease liability, net of current portion	15,547
Bonds payable, net of premium and current portion	10,257,106
Total long-term liabilities due and payable after one year	15,570,489
Total long-term liabilities	17,473,307
Total liabilities	33,264,499
DEFERRED INFLOWS OF RESOURCES	
Pension related - TRS	21,722,578
Pension related - ERS	4,355,830
Other postemployment benefits	610,597
Total deferred inflows of resources	26,689,005
NET POSITION	
Net investment in capital assets	35,643,479
Restricted	5,944,526
Unrestricted	8,960,619
Total net position	$ 50,548,624

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Statement of Activities
For the year ended June 30, 2022

		Program Revenue		
	Expenses	Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General governmental support	$ 6,146,524	$ 93,889	$ -	$ (6,052,635)
Instruction	36,836,395	106,794	2,380,759	(34,348,842)
Pupil transportation	2,821,414	-	-	(2,821,414)
Community services	149,332	-	-	(149,332)
Interest	346,269	-	-	(346,269)
School lunch program	1,186,764	60,023	1,278,413	151,672
School store	16,774	16,969	-	195
Unallocated depreciation/ amortization	3,027,750	-	-	(3,027,750)
Total functions/programs	$ 50,531,222	$ 277,675	$ 3,659,172	(46,594,375)
GENERAL REVENUE:				
Real property taxes				29,106,716
Real property tax items				2,704,277
Non-property taxes				3,392,696
Use of money and property				54,263
Sale of property and compensation for loss				18,569
Miscellaneous				499,709
State sources				15,288,538
Medicaid reimbursement				127,773
Total general revenue				51,192,541
CHANGE IN NET POSITION				4,598,166
NET POSITION - beginning of year, as previously reported				44,747,808
PRIOR PERIOD ADJUSTMENT (See Note 16)				1,202,650
NET POSITION- begining of year, as restated				45,950,458
NET POSITION - end of year				$ 50,548,624

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2022

	General	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 7,612,072	$ -	$ 57,927	$ 7,669,999
Cash and cash equivalents - restricted	5,724,061	8,621,233	353,230	14,698,524
Due from other funds	889,535	-	583	890,118
Due from Federal and State Governments	356,764	-	1,136,312	1,493,076
Due from other governments	879,811	-	-	879,811
Inventory	30,745	-	3,731	34,476
Total assets	$ 15,492,988	$ 8,621,233	$ 1,551,783	$ 25,666,004
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ 412,751	$ 1,371,943	$ -	$ 1,784,694
Accrued liabilities	2,547,955	-	22,554	2,570,509
Bond anticipation notes payable	-	9,200,000	-	9,200,000
Due to other funds	325	265	889,528	890,118
Due to other governments	100	-	26	126
Due to Teachers' Retirement System	2,017,444	-	-	2,017,444
Due to Employees' Retirement System	170,367	-	-	170,367
Unearned revenue	-	-	17,470	17,470
Total liabilities	5,148,942	10,572,208	929,578	16,650,728
FUND BALANCES:				
Nonspendable				
Inventory	30,745	-	3,731	34,476
Restricted for -				
Capital reserve	2,123,994	-	-	2,123,994
Retirement contributions reserve	980,136	-	-	980,136
Unemployment insurance reserve	310,501	-	-	310,501
Repair reserve	526,217	-	-	526,217
Insurance reserve	214,043	-	-	214,043
Employee benefit accrued liability reserve	1,203,591	-	-	1,203,591
Workers' compensation reserve	186,316	-	-	186,316
Tax certiorari reserve	179,263	-	-	179,263
Debt service reserve	-	-	6,345	6,345
Extraclassroom activities and scholarships	-	-	214,120	214,120
Total restricted fund balance	5,724,061	-	220,465	5,944,526
Assigned to -				
Appropriated for future budgets	1,773,612	-	-	1,773,612
Other	678,158	-	398,009	1,076,167
Total assigned fund balance	2,451,770	-	398,009	2,849,779
Unassigned	2,137,470	(1,950,975)	-	186,495
Total fund balances	10,344,046	(1,950,975)	622,205	9,015,276
Total liabilities and fund balance	$ 15,492,988	$ 8,621,233	$ 1,551,783	$ 25,666,004

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balance - total governmental funds	$	9,015,276
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		50,706,412
Deferred outflows/inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows - ERS/TRS		13,811,198
Deferred inflows - ERS/TRS		(26,078,408)
Deferred outflow - OPEB		585,336
Deferred inflow - OPEB		(610,597)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension asset - TRS		19,366,552
Net pension asset - ERS		1,256,744
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Lease liability		(27,631)
Bonds payable		(11,466,300)
Unamortized bond premium		(577,106)
Total other postemployment benefits		(1,707,438)
Compensated absences		(3,694,832)
Accrued interest		(30,582)
Net position of governmental activities	$	50,548,624

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2022

	General	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:				
Real property taxes	$ 29,106,716	$ -	$ -	$ 29,106,716
Real property tax items	2,704,277	-	-	2,704,277
Non-property taxes	3,392,696	-	-	3,392,696
Charges for services	200,683	-	-	200,683
Use of money and property	53,307	-	956	54,263
Sale of property and compensation for loss	18,569	-	-	18,569
Miscellaneous	215,951	-	283,758	499,709
State sources	15,288,538	-	259,116	15,547,654
Federal sources	40,310	-	3,359,746	3,400,056
School store	16,969	-	-	16,969
Medicaid reimbursement	127,773	-	-	127,773
Sales	-	-	60,023	60,023
Total revenue	51,165,789	-	3,963,599	55,129,388
EXPENDITURES:				
General support	5,307,217	-	18,357	5,325,574
Instruction	26,602,178	-	2,189,488	28,791,666
Pupil transportation	2,167,688	-	88,053	2,255,741
Community services	10,782	-	109,616	120,398
Employee benefits	12,922,350	-	247,972	13,170,322
Cost of school lunch sales	-	-	1,186,764	1,186,764
School store	16,774	-	-	16,774
Capital outlays	-	7,681,152	-	7,681,152
Debt service -				
Principal	239,052	-	1,755,000	1,994,052
Interest	6,410	-	421,463	427,873
Total expenditures	47,272,451	7,681,152	6,016,713	60,970,316
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	3,893,338	(7,681,152)	(2,053,114)	(5,840,928)
OTHER FINANCING SOURCES (USES):				
Proceeds from the issuance of capital leases	227,349	-	-	227,349
Proceeds of debt issuance	-	511,300	-	511,300
Transfers in	10,583	100,000	2,231,282	2,341,865
Transfers out	(2,331,282)	(10,583)	-	(2,341,865)
Total other financing sources (uses)	(2,093,350)	600,717	2,231,282	738,649
CHANGE IN FUND BALANCE	1,799,988	(7,080,435)	178,168	(5,102,279)
FUND BALANCES - beginning of year	8,544,058	5,129,460	444,037	14,117,555
FUND BALANCES - end of year	$ 10,344,046	$ (1,950,975)	$ 622,205	$ 9,015,276

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net changes in fund balance - total governmental funds	$ (5,102,279)
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	8,335,076
Depreciation and amortization are not recorded as expenditures in the governmental funds, but are recorded in the statement of activities.	(3,037,104)
Loss on disposal of capital assets is not an expenditure in the governmental funds, but is recorded in the statement of activities.	(198,612)
Proceeds of long-term debt are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year.	(511,300)
Proceeds from issuance of capital leases are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year.	(227,349)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	1,994,052
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense.	3,695,647
Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the cost of other postemployment benefits earned, net of employer contributions is reported as other postemployment benefits.	(138,977)
Certain expenses in the statement of activities do not require the use of current resources and are therefore not reported as expenditures in the governmental funds:	
Amortization of bond premium	86,955
Change in accrued interest	(5,351)
Change in compensated absences	(292,592)
Change in net position - governmental activities	$ 4,598,166

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position
June 30, 2022

	Custodial Fund
ASSETS:	
Cash - restricted	$ 3,878
Total assets	3,878
NET POSITION:	
Restricted for scholarships	3,878
Total net position	$ 3,878

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2022

	Custodial Fund
ADDITIONS:	
Gifts and contributions	$ 3,000
Investment earnings	2
Total additions	3,002
DEDUCTIONS:	
Scholarships and awards	6,000
CHANGE IN NET POSITION	(2,998)
NET POSITION - beginning of year	6,876
NET POSITION - end of year	$ 3,878

The accompanying notes are an integral part of these statements

1. NATURE OF OPERATIONS

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

Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by the GASB and consists of the primary government, and when applicable, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The Extraclassroom Activity Funds are also included in these financial statements.

The Extraclassroom Activity Funds represent funds of the students of the District. The Board of Education exercises general oversight of these funds; however, these funds are used as designated by student management. The District accounts for the activities of these various student organizations in the Miscellaneous Special Revenue Fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office.

Joint Venture

The District is a component school district in the Erie #2-Chautauqua-Cattaraugus 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.

During the year, the District was billed $3,893,842 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,223,893.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (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.

Certain significant accounting principles and policies utilized by the District are described below.

Basis of Presentation
The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

District-Wide Statements
The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental 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 direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue includes 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 fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

The District reports the following nonmajor governmental funds:

Special Revenue Funds - These funds accounts 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.

- Special Aid Fund: Used to account for proceeds from State and Federal grants that are restricted for specific educational programs.
- School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.
- Miscellaneous Special Revenue Fund: Used to account for and report those revenues that are restricted or committed to expenditures for specified purposes. Specifically, the District accounts for extraclassroom activities and certain scholarships here, as the District has administrative involvement with these funds.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Fiduciary Funds

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

The District has one class of fiduciary fund:

Custodial Funds - These funds are strictly custodial in nature. These are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. At the District, various scholarship funds that are not held in legal trusts and for which the District does not have administrative control are reported in this fund.

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 District-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 District gives or receives value without directly receiving or giving equal value in exchange includes property taxes, grants, and donations.

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The district considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty 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, compensated absences, other postemployment benefits and long-term pension obligation, 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 District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and are obligations of the State and its municipalities and districts.

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

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

Property Taxes
Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31. Taxes not collected by October 31 are turned over to the Counties of Erie and Wyoming (the Counties) who assume all responsibility for collection.

Uncollected real property taxes are subsequently enforced by the Counties. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

Inventory

Inventory of food and/or supplies in the school lunch fund and school store are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventory 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 District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

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

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

Refer to Note 7 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2004. For assets acquired prior to June 30, 2004, 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. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land and construction in progress are not depreciated. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 5,000	SL	40 years
Land improvements	$ 5,000	SL	15 years
Furniture, fixtures, and equipment	$ 5,000	SL	8 years
Vehicles	$ 5,000	SL	15 years

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

Vested Employee Benefits
Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated leave.

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

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

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Deferred Outflows and Inflows of Resources
In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

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

Accrued Liabilities and Long-Term Obligations
Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments 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 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.

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

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

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

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

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

Governmental Fund Financial Statements - Equity Classifications
In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund and bookstore.

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 District has established the following restricted fund balances:

Capital reserve

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

Reserve for Debt Service

According to General Municipal Law §6-l, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here. The reserve is accounted for in the Debt Service Fund.

Repair Reserve

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

Employee Benefit Accrued Liability Reserve

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

Insurance Reserve

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

Tax Certiorari

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the funds without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgements 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. This reserve is accounted for in the General Fund.

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

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

Restricted fund balance includes the following:

General Fund:	
Capital reserve	$ 2,123,994
Retirement contributions	980,136
Unemployment insurance	310,501
Repair reserve	526,217
Insurance reserve	214,043
Employee benefit accrued	1,203,591
Workers' compensation	186,316
Tax certiorari reserve	179,263
Debt Service Fund	6,345
Miscellaneous Special Revenue Fund:	
Extraclassroom activities and scholarships	214,120
	$ 5,944,526

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

Assigned fund balance - Includes amounts that are constrained by the 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. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

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 District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the 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, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

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

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 dates of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities
Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference 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.

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

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

Budgets

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

The voters of the District approved the proposed appropriation budget.

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 BOE 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 restriction, if the board approves them because of a need that exists which was not determined at the time the budget was adopted. The District had supplemental appropriations in the amount of $43,331 during the year related to the emergency repair of the intermediate building roof and replacement of the supervisory HVAC controller at the middle school. These appropriations were funded by an approved use of the repair reserve fund.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2022.

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

Encumbrances

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

5. CASH

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

At June 30, 2022, the reported amount of the District's deposits was $22,372,401 and the bank balance was $22,737,851. Of the bank balance, $500,000 was covered by federal depository insurance and $22,237,851 was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes $14,698,524 within the governmental funds and $3,878 in the fiduciary funds.

6. CAPITAL ASSETS

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

	Balance 7/1/2021 Restated	Additions	Deletions	Balance 6/30/2022
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 872,363	$ -	$ -	$ 872,363
Construction in progress	1,243,812	7,169,852	(89,417)	8,324,247
Total nondepreciable cost	2,116,175	7,169,852	(89,417)	9,196,610
Capital assets that are depreciated:				
Buildings and improvements	66,642,219	189,417	-	66,831,636
Land improvements	4,013,602	-	(124,725)	3,888,877
Furniture, fixtures, and equipment	3,177,878	201,890	(90,658)	3,289,110
Vehicles	5,694,597	546,568	(388,162)	5,853,003
Total depreciable historical cost	79,528,296	937,875	(603,545)	79,862,626
Less accumulated depreciation:				
Buildings and improvements	(27,937,400)	(1,858,904)	-	(29,796,304)
Land improvements	(3,465,116)	(50,182)	27,252	(3,488,046)
Furniture, fixtures, and equipment	(2,207,995)	(122,216)	78,936	(2,251,275)
Vehicles	(3,668,892)	(587,353)	388,162	(3,868,083)
Total accumulated depreciation	(37,279,403)	(2,618,655)	494,350	(39,403,708)
Total depreciable cost, net	42,248,893	(1,680,780)	(109,195)	40,458,918
Leased assets, being amortized:				
Copy machine	20,895	-	-	20,895
Equipment	1,221,089	227,349	-	1,448,438
Total lease assets, being amortized	1,241,984	227,349	-	1,469,333
Less accumulated amortization:				
Copy machine	-	(6,965)	-	(6,965)
Equipment	-	(411,484)	-	(411,484)
Total accumulated amortization	-	(418,449)	-	(418,449)
Total leased assets, being amortized, net	1,241,984	(191,100)	-	1,050,884
Total capital assets, net	$ 45,607,052	$ 5,297,972	$ (198,612)	$ 50,706,412

Depreciation and amortization have not been allocated to the individual functions of the District's operation as no allocation methodology has been established.

7. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General	$ 889,535	$ 325	$ 10,583	$ 2,331,282
Special Aid	-	889,503	54,500	-
School Lunch	318	25	318	-
Capital Projects	-	265	100,000	10,583
Debt Service	265	-	2,176,464	-
Total	$ 890,118	$ 890,118	$ 2,341,865	$ 2,341,865

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund receivables and payables were incurred primarily due to salaries paid by the General Fund on behalf of the Special Aid Fund. The majority of the interfund revenues and expenses were transfers from the General Fund to the Capital Projects Fund to fund current project expenditures, budgeted transfers to the Debt Service Fund to fund debt obligations and transfers to the Special Aid Fund to write off uncollectible receivables in the Summer School Handicap Program.

8. SHORT-TERM OBLIGATIONS

In June 2022, the District entered into a BAN, in the amount of $9,200,000, in order to finance the reconstruction and renovation of, as well as construction of improvements and updates to various school district buildings and facilities. On June 21, 2023, this BAN will be repaid plus interest at a rate of 2.84%.

The following is a summary of changes in short-term debt for the year ended June 30, 2022:

Balance- July 1, 2021	$ -
Issuances	9,200,000
Payments	-
Balance- June 30, 2022	$ 9,200,000

9. LONG-TERM OBLIGATIONS

On September 9, 2021, the District issued $511,300 in serial bonds for the purchase of school buses. These bonds have an interest rate of 1.0% and mature in fiscal 2026. In the event of default of the payment of principal or interest on the Bonds or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and to apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to the Bonds and such other obligations.

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

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022	Due Within One Year
Bonds:					
Serial bonds payable	$ 12,710,000	$ 511,300	$ (1,755,000)	$ 11,466,300	$ 1,786,300
Unamortized premium	664,061	-	(86,955)	577,106	-
Total bonds payable	$ 13,374,061	$ 511,300	$ (1,841,955)	$ 12,043,406	$ 1,786,300
Other liabilities:					
Compensated absences {a}	$ 3,402,240	$ 292,592	$ -	$ 3,694,832	$ 104,434

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately

Interest on all debt for the year was composed of:

Interest paid	$ 427,873
Less: Interest accrued in the prior year	(25,231)
Plus: Interest accrued in the current year	30,582
Less: Amortization of bond premium	(86,955)
Total interest expense	$ 346,269

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

Bond Issue	Original Issue Date	Original Borrowing	Final Maturity	Interest Rate	6/30/2022 Balance
Serial bond - Buses	8/25/2017	$ 565,000	8/1/2022	1.890%	$ 125,000
Serial bond - Construction	5/9/2018	$ 8,600,000	6/15/2033	3.000%	6,525,000
Serial bond - Buses	8/24/2018	$ 675,000	8/1/2023	2.375%	290,000
Serial bond - Buses	8/14/2018	$ 465,000	8/1/2024	1.640%	270,000
Refunding Serial Bond	6/15/2020	$ 4,635,000	6/15/2027	4-5%	3,310,000
Serial bond - Buses	9/10/2020	$ 555,000	8/1/2025	1.070%	435,000
Serial bond - Buses	9/9/2021	$ 511,300	8/1/2026	1.000%	511,300
Total bond issues					$ 11,466,300

The following is a summary of the maturity of long-term indebtedness as of June 30, 2022:

	Principal	Interest	Total
2023	$ 1,786,300	$ 375,123	$ 2,161,423
2024	1,720,000	321,407	2,041,407
2025	1,595,000	264,157	1,859,157
2026	1,565,000	207,065	1,772,065
2027	1,025,000	148,850	1,173,850
2028-2032	3,130,000	383,400	3,513,400
2033	645,000	19,350	664,350
Totals	$ 11,466,300	$ 1,719,352	$ 13,185,652

10. LEASES

The District leases various copiers and equipment, primarily from BOCES. The leases have various inception dates and remaining terms ranging from 24 to 60 months. The interest rates on these leases range from 1.46% to 4.50%. These leases do not contain renewal options. The District prepays several of its leases at lease inception.

Activity of lease liabilities for the year ended June 30, 2022 is summarized as follows:

Beginning Balance 6/30/2021 (restated)	Additions	Subtractions	Balance 6/30/2022	Due Within One Year
$ 39,334	$ 227,349	$ (239,052)	$ 27,631	$ 12,084

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
2023	$ 12,084	$ 815	$ 12,899
2024	12,479	420	12,899
2025	3,068	15	3,083
Total	$ 27,631	$ 1,250	$ 28,881

11. PENSION PLANS

New York State Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer 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.

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. 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 System's 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:

	ERS
2022	$ 950,501
2021	$ 840,888
2020	$ 842,674

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2022, the District reported a net pension asset of $1,256,744 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 District's proportion of the net pension asset was based on a projection of the 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, the District's proportionate share was .0153738% percent, which was a decrease of .0001787% from its proportionate share at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of $239,629. At June 30, 2022, the 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	$ 95,175	$ 123,447
Changes of assumptions	2,097,364	35,391
Net difference between projected and actual earnings on pension plan investments	-	4,115,309
Changes in proportion and differences between the District's contributions and proportionate share of contributions	458,025	81,683
Contributions subsequent to the measurement date	170,367	-
Total	$ 2,820,931	$ 4,355,830

The District recognized $170,367 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 asset in the year ended June 30, 2023.

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 Ended March 31:	
2023	$ (167,100)
2024	(361,052)
2025	(1,000,718)
2026	(176,396)
Thereafter	-
	$ (1,705,266)

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:

Inflation	2.70%
Salary scale	4.4% indexed by service
Cost-of-living adjustments	1.4%
Decrements	Based on Plan's experience from April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% net of investment expense, including inflation

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
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/Absolute Return Strategy	3.0	4.10
Credit	4.0	3.78
Real assets	3.0	5.58
Fixed income	23.0	0.00
Cash	1.0	(1.00)
	100%	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 District's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 4.9%	Current Discount 5.9%	1% Increase 6.9%
Proportionate Share of Net Pension liability (asset)	$ 3,234,844	$ (1,256,744)	$ (5,013,740)

Pension Plan Fiduciary Net Position (000's)
The components of the current-year net pension asset (in 000's) of the employers as of March 31, 2022, were as follows:

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 District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report and/or the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer, which can be found on the System's website at www.nystrs.org.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS 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

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the NYSTRS 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 District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	TRS
2022	$ 1,807,734
2021	$ 1,647,203
2020	$ 1,935,012

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

At June 30, 2022, the District reported a net pension asset of $19,366,552 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 District's proportion of the net pension asset was based on a projection of the 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 the District's proportionate share was 0.111758%, which was an increase of 0.002224% from its proportionate share at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension income of $1,145,483. At June 30, 2022 the 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	$ 2,669,474	$ 100,618
Changes of assumptions	6,370,064	1,128,045
Net difference between projected and actual earnings on pension plan investments	-	20,269,101
Changes in proportion and differences between the District's contributions and proportionate share of contributions	50,584	224,814
Contributions subsequent to the measurement date	1,900,145	-
Total	$ 10,990,267	$ 21,722,578

The District recognized $1,900,145 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2021 which will be recognized as a reduction of the net pension asset in the year ended 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 Ended June 30:	
2022	$ (2,535,193)
2023	(2,969,371)
2024	(3,734,777)
2025	(4,928,729)
2026	900,132
Thereafter	635,482
	$(12,632,456)

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. These actuarial valuations 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.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant morality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of 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 expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2021 are summarized in the following table:

Asset Type	Target Allocations in %	Long-term expected real rate of return in %
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
High-yield bonds	1.0	3.8
Private debt	1.0	5.9
Real estate debt	7.0	3.3
Cash equivalents	1.0	(0.2)
	100%	

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

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

	1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
Proportionate Share of Net Pension Liability (asset)	$ (2,032,237)	$ (19,366,552)	$(33,934,786)

Pension Plan Fiduciary Net Position

The components of the current year net pension asset of the employers as of June 30, 2021, were as follows:

Total pension liability	$	130,819,415,417
Net position		148,148,457,363
Net pension liability (asset)	$	(17,329,041,946)
NYSTRS net position as a percentage of total pension liability		113.2%

Payables to the Pension Plans

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	June 30, 2022
ERS Liability	$ 170,367
TRS Liability	$ 2,017,444

12. TOTAL OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District administers the Iroquois Central School District Retiree Medical, Prescription Vision and Dental Plan (the Plan) as a single-employer defined benefit Other Post-employment Benefit Plan (OPEB). The Plan provides for continuation of medical, prescription vision and dental benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone 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 District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. As such, the Plan does not issue a standalone financial report.

Benefits Provided

The 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 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 employees or beneficiaries currently receiving benefits	119
Active employees	449
Total participants	568

Total OPEB Liability

The District's total OPEB liability of $1,707,438 was measured as of March 31, 2022, and was determined by an actuarial valuation as of February 4, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.44%
Salary scale	3.44% effective June 30, 2022
Discount Rate	2.83% effective June 30, 2022
Healthcare Cost Trend Rate	6.10% for 2022, decreasing to an ultimate rate of 4.37% after 2070

Share of Benefit-Related Costs	The District will pay a percentage of the premium based on employee's years of service and hire date until the retiree becomes Medicare eligible, at which time, the retiree may remain in the plan by paying 100% of the premium.
Cost Method	Entry Age Normal Level % of Pay method

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 based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate Contingent Survivor mortality, fully generational using scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were consistent with requirements of GASB 75 and Actuarial Standards of Practice (ASOPs). Retirement and termination assumptions reflect general published tables based on large scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed and the base table is adjusted accordingly, as necessary. No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability

Balance at June 30, 2021	$ 1,333,204
Changes for the Year-	
Service cost	48,749
Interest	30,137
Changes of benefit terms	-
Changes in assumptions or other inputs	243,978
Differences between expected and actual experience	105,720
Benefit payments	(54,350)
Net changes	374,234
Balance at June 30, 2022	$ 1,707,438

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.83%) or 1 percentage point higher (3.83%) than the current discount rate:

	1% Decrease 1.83%	Current Discount 2.83%	1% Increase 3.83%
Total OPEB Liability	$ 1,852,928	$ 1,707,438	$ 1,573,335

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.10% to 3.37%) or 1 percentage point higher (7.10% to 5.37%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease 5.10% to 3.37%	Current Discount 6.10% to 4.37%	1% Increase 7.10% to 5.37%
Total OPEB Liability	$ 1,508,524	$ 1,707,438	$ 1,940,875

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

For the year ended June 30, 2022, the District recognized OPEB expense of $187,219. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 280,607	$ 594,360
Changes of assumptions	291,141	16,237
Benefit payments subsequent to measurement date	13,588	-
Total	$ 585,336	$ 610,597

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

Fiscal Year Ending June	Amount
2023	$ 48,767
2024	(96,121)
2025	(69,523)
2026	65,596
2027	7,314
Thereafter	5,118
	$ (38,849)

The District recognized $13,588 as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of March 31, 2022 which will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023.

13. RISK MANAGEMENT

General

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

Self-Funded Health Insurance Plan

The District is self-insured for health insurance, and the program is managed by a third-party administrator. The District has calculated its best estimate of health insurance liabilities at year end based on claims paid subsequent to year end based on claim reports provided by the third-party administrator. This does not include an estimate of the claims incurred, but not reported, since management believes that such estimated would not be material. The District purchases stop loss insurance to reimburse the District for individual claims in excess of $500,000. At year end, the current and prior year claims activity is as follows:

	2022	2021
Estimated claims as of July 1	$ 1,346,269	$ 1,598,013
Premium equivalent deposited in the General Fund	9,462,696	9,101,225
Payments made during the year	(8,598,068)	(9,352,969)
Liability for claims as of June 30	$ 2,210,897	$ 1,346,269

Workers' Compensation

The District is a participant in the Erie #2 Workers' Compensation Consortium (the Consortium). The Consortium was established under the provisions of Workers' Compensation Law of the State of New York and is administered and sponsored by its predominant participant, Erie #2-Chautauqua-Cattaraugus BOCES. The Consortium is a public entity risk pool which provides the District the opportunity to participate in a cooperative program for providing workers' compensation benefits to its employees by entering into an intermunicipal agreement pursuant to Article 5-G of General Municipal Law.

Membership is effective on the first day of the month following the Board's resolution to accept a new participant organization. Voluntary withdrawal from the Consortium is effective only once annually on the last day of the plan year. Notice of intent to withdraw must be submitted in writing not less than 120 days prior to the end of the plan year (June 30). Premiums for coverage and determine annually by the Board of Directors after review of claim history information and consultation with various advisors. Participant organizations are billed in installments during the year.

No refund or assessments, other than periodic premiums, are charged to the participant organizations, except in the case where the Consortium's assets are not sufficient to meet liabilities. In that instance, a special assessment may be assessed against the participant organizations.

The Consortium has established reserve liabilities which provide for expenditures to be made over the life of the claims. The reserve liabilities are based on estimates of the cost of claims (including future claim adjustment expenses) which have been reported but not settled, and of claims which have been incurred but not reported. Since actual claim costs depend on such complex factors as inflation and changes in doctrines of legal liability, the process used in estimating future claim liability does not result in exact amount. Estimated claim liability is calculated based on actuarial and statistical information which reflects settlements and other social and economic factors, as well as past experience.

14. CONTINGENCIES AND COMMITMENTS

Litigation
The District has also been named as a defendant in certain legal actions. The District intends to defend itself vigorously in each of these cases. Accordingly, no loss contingency has been accrued.

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

15. TAX ABATEMENTS

The Erie County Industrial Development Agency, created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively "the Act"), has ten real property tax abatement agreements with various businesses in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended June 30, 2022, the District's total tax revenues were reduced by $280,043.

Copies of the agreements may be obtained from the Iroquois Central School, 2111 Girdle Road, Elma, NY 14059.

16. PRIOR PERIOD ADJUSTMENT

Change in Accounting Principle

During the year ended June 30, 2022, the 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 an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The District prepays the balance of several of its lease obligations at the beginning of the lease term, and as such, the total net book value of the leased assets was greater than the amount of the lease liability as of the beginning of the year. As a result, the District's beginning net position of the governmental activities was restated, as shown below.

	Governmental Activities Net Position
Balance at June 30, 2021, as previously reported	$ 44,747,808
Adjustments:	
Net book value leased asset	1,241,984
Lease liability	(39,334)
Balance at July 1, 2021, as restated	$ 45,950,458

17. COVID-19

The United States is presently in the midst of a national health emergency related to a virus commonly known as the Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a nation, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of the situation on the District and its future results and financial position is not presently determinable.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

IROQUOIS 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

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
Real property taxes	$ 31,689,268	$ 31,689,268	$ 29,106,716	$ -	$ (2,582,552)
Real property tax items	123,571	123,571	2,704,277	-	2,580,706
Non-property taxes	2,632,882	2,632,882	3,392,696	-	759,814
Charges for services	155,200	155,200	200,683	-	45,483
Use of money and property	151,000	151,000	53,307	-	(97,693)
Sale of property and compensation for loss	5,400	5,400	18,569	-	13,169
Miscellaneous	173,000	173,000	215,951	-	42,951
State sources	16,575,274	16,575,274	15,288,538	-	(1,286,736)
Federal sources	-	-	40,310	-	40,310
School store	35,000	35,000	16,969	-	(18,031)
Medicaid reimbursement	100,000	100,000	127,773	-	27,773
Total revenue	51,640,595	51,640,595	51,165,789	-	(474,806)
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	21,395	25,396	14,500	-	10,896
Central administration	277,170	272,993	266,099	-	6,894
Finance	586,655	595,897	588,123	-	7,774
Staff	263,882	254,818	170,582	-	84,236
Central services	4,108,195	4,234,171	3,674,676	84,619	474,876
Special items	741,130	1,204,526	593,237	470,000	141,289
Total general support	5,998,427	6,587,801	5,307,217	554,619	725,965
INSTRUCTION:					
Instruction, administration, and improvement	2,084,796	2,082,715	1,936,420	1,253	145,042
Teaching - regular school	14,161,546	14,182,511	12,851,081	42,296	1,289,134
Programs for children with handicapping conditions	7,077,536	7,108,368	6,847,341	3,487	257,540
Occupational education	1,199,488	1,199,488	1,021,609	-	177,879
Teaching - special school	73,250	54,251	41,669	-	12,582
Instructional media	1,570,401	1,679,537	1,562,909	6,891	109,737
Pupil services	2,442,962	2,446,082	2,341,149	6,892	98,041
Total instruction	28,609,979	28,752,952	26,602,178	60,819	2,089,955
Community services	8,995	10,782	10,782	-	-
Pupil transportation	2,617,535	2,610,265	2,167,688	15,999	426,578
School store	35,000	35,000	16,774	-	18,226
Employee benefits	14,072,998	13,601,211	12,922,350	-	678,861
Debt service					
Principal	-	-	239,052	-	(239,052)
Interest	-	-	6,410	-	(6,410)
Total expenditures	51,342,934	51,598,011	47,272,451	631,437	3,694,123
Excess (deficiency) of revenue over expenditures	297,661	42,584	3,893,338	(631,437)	3,219,317
OTHER FINANCING SOURCES (USES):					
Proceeds from the issuance of capital leases	-	-	227,349	-	227,349
Transfer in	-	-	10,583	-	10,583
Transfers out	(2,499,964)	(2,499,964)	(2,331,282)	-	168,682
Total other financing sources (uses)	(2,499,964)	(2,499,964)	(2,093,350)	-	406,614
NET CHANGE IN FUND BALANCES	$ (2,202,303)	$ (2,457,380)	1,799,988	$ (631,437)	$ 3,625,931
FUND BALANCE - beginning of year			8,544,058		
FUND BALANCE - end of year			$ 10,344,046		

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.0153738%	0.0155525%	0.0163272%	0.0169590%	0.0160350%	0.0170485%	0.0171830%	0.0166850%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available.	
Proportionate share of the net pension liability (asset)	$ (1,257)	$ 15	$ 4,324	$ 1,202	$ (518)	$ (1,602)	$ (2,758)	$ (564)		
Covered-employee payroll	$ 5,953	$ 5,866	$ 5,908	$ 5,822	$ 5,615	$ 5,612	$ 5,380	$ 5,127		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-21.12%	0.26%	73.19%	20.64%	-9.22%	-28.5%	-51.3%	-10.99%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.30%	98.20%	94.70%	90.70%	97.90%		

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.1117580%	0.1095340%	0.1091590%	0.105923%	0.107369%	0.1075210%	0.1070370%	0.1073730%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available.	
Proportionate share of the net pension liability (asset)	$ (19,367)	$ 3,027	$ (2,836)	$ (1,915)	$ (816)	$ 1,152	$ 11,118	$ 11,961		
Covered-employee payroll	$ 18,958	$ 18,591	$ 18,520	$ 18,497	$ 17,195	$ 17,187	$ 16,797	$ 16,264		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-102.16%	16.28%	-15.31%	-10.4%	-4.7%	6.7%	66.2%	73.5%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.2%	97.8%	102.2%	-101.5%	-100.7%	99.1%	-110.5%	-111.5%		

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended June 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 951	$ 841	$ 843	$ 849	$ 840	$ 883	$ 990	$ 981	$ 1,092	$ 959
Contributions in relation to the contractually required contribution	951	841	843	849	840	883	990	981	1,092	959
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 5,953	$ 5,866	$ 5,908	$ 6,011	$ 5,907	$ 5,707	$ 5,690	$ 5,505	$ 5,263	$ 5,262
Contributions as a percentage of covered-employee payroll	15.98%	14.34%	14.27%	14.13%	14.23%	15.47%	17.40%	17.82%	20.75%	18.23%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,807	$ 1,647	$ 1,935	$ 1,967	$ 1,685	$ 2,015	$ 2,200	$ 2,819	$ 2,577	$ 1,848
Contributions in relation to the contractually required contribution	1,807	1,647	1,935	1,967	1,685	2,015	2,200	2,819	2,577	1,848
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 18,958	$ 18,591	$ 18,520	$ 18,497	$ 17,195	$ 17,195	$ 17,187	$ 16,797	$ 16,264	$ 15,775
Contributions as a percentage of covered-employee payroll	9.53%	8.86%	10.45%	10.63%	9.80%	11.72%	12.80%	16.78%	15.85%	11.71%

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended June 30:

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service cost	$ 49	$ 80	$ 74	$ 35	$ 36	$ 33				
Interest	30	54	70	36	36	28				
Changes of benefit terms	-	-	-	78	-	-				
Differences between expected and actual experience	106	(947)	(116)	933	(20)	119				
Changes in assumptions	244	49	188	9	17	(33)				
Benefit payments	(54)	(79)	(81)	(42)	(39)	(34)				
Total change in total OPEB liability	374	(843)	135	1,049	30	113				
Total OPEB liability - beginning	1,333	2,176	2,041	992	962	849				
Total OPEB liability - ending	$ 1,707	$ 1,333	$ 2,176	$ 2,041	$ 992	$ 962				
Covered-employee payroll	$ 24,898	$ 24,070	$ 23,131	$ 22,409	$ 21,691	$ 21,691				
Total OPEB liability as a percentage of covered-employee payroll	6.86%	5.54%	9.41%	9.11%	4.57%	4.44%				

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as the information becomes available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.83%	2.27%	2.48%	3.44%	3.61%	3.80%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as the information becomes available.

Changes of assumptions and other inputs reflect the following:

- The single discount rate changed from 2.27% to 2.83% effective June 30, 2022.
- The salary scale changed from 3.11% to 3.44% effective June 30, 2021.
- Mortality improvement scale updated to MP-2021.
- Updated healthcare cost trend rates to rates effective June 30, 2022.

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 the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

SUPPLEMENTARY INFORMATION

IROQUOIS CENTRAL SCHOOL DISTRICT

Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Aid	Debt Service	School Lunch	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ -	$ -	$ 57,927	$ -	$ 57,927
Cash and cash equivalents - restricted	133,030	6,080	-	214,120	353,230
Due from other funds	-	265	318	-	583
Due from Federal and State Governments	773,943	-	362,369	-	1,136,312
Inventory	-	-	3,731	-	3,731
Total assets	$ 906,973	$ 6,345	$ 424,345	$ 214,120	$ 1,551,783
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accrued liabilities	$ -	$ -	$ 22,554	$ -	$ 22,554
Due to other funds	889,503	-	25	-	889,528
Due to other governments	-	-	26	-	26
Unearned revenue	17,470	-	-	-	17,470
Total liabilities	906,973	-	22,605	-	929,578
FUND BALANCES:					
Nonspendable -					
Inventory	-	-	3,731	-	3,731
Restricted for -					
Debt service	-	6,345	-	-	6,345
Extraclassroom activities and scholarships	-	-	-	214,120	214,120
Assigned to -					
Other	-	-	398,009	-	398,009
Total fund balances	-	6,345	401,740	214,120	622,205
Total liabilities and fund balances	$ 906,973	$ 6,345	$ 424,345	$ 214,120	$ 1,551,783

The accompanying notes are an integral part of these statements.

IROQUOIS CENTRAL SCHOOL DISTRICT

Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Aid	Debt Service	School Lunch	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
REVENUE:					
Use of money and property	$ -	$ 950	$ -	$ 6	$ 956
Miscellaneous	13,000	2,020	-	268,738	283,758
State sources	236,357	-	22,759	-	259,116
Federal sources	2,104,092	-	1,255,654	-	3,359,746
Sales	-	-	60,023	-	60,023
Total revenue	2,353,449	2,970	1,338,436	268,744	3,963,599
EXPENDITURES:					
General support	18,357	-	-	-	18,357
Instruction	1,943,951	-	-	245,537	2,189,488
Pupil transportation	88,053	-	-	-	88,053
Community services	109,616	-	-	-	109,616
Employee benefits	247,972	-	-	-	247,972
Cost of sales	-	-	1,186,764	-	1,186,764
Debt service -					
Principal	-	1,755,000	-	-	1,755,000
Interest	-	421,463	-	-	421,463
Total expenditures	2,407,949	2,176,463	1,186,764	245,537	6,016,713
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(54,500)	(2,173,493)	151,672	23,207	(2,053,114)
OTHER FINANCING SOURCES (USES):					
Transfers in	54,500	2,176,464	318	-	2,231,282
Total other financing sources (uses)	54,500	2,176,464	318	-	2,231,282
CHANGE IN FUND BALANCES	-	2,971	151,990	23,207	178,168
FUND BALANCES - beginning of year	-	3,374	249,750	190,913	444,037
FUND BALANCES - end of year	$ -	$ 6,345	$ 401,740	$ 214,120	$ 622,205

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Change From Original Budget to Revised Budget And Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)
For the Year Ended June 30, 2022

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 53,842,898
Add: Prior year's encumbrances	211,746
Original budget	54,054,644
Budget revisions	43,331
Final budget	$ 54,097,975

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 voter-approved expenditure budget	$ 54,984,553	
Maximum allowed (4% of 2022-23 budget)		$ 2,199,382
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance		
Assigned fund balance	$ 2,451,770	
Unassigned fund balance	2,137,470	
Total unrestricted fund balance	4,589,240	
Less:		
Appropriated fund balance	1,773,612	
Encumbrances included in assigned fund balance	631,437	
Total adjustments	2,405,049	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,184,191
Actual percentage		3.97%

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Project Expenditures - Capital Projects Fund (Unaudited)
For the Year Ended June 30, 2022

Project Title	Original Appropriation	Revised Appropriation	Prior Years' Expenditures	Current Year Expenditures	Total Expenditures	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total Financing	Fund Balance as of 6/30/2022
Bus Purchase 21-22	$ 511,300	$ 511,300	$ -	$ 511,300	$ 511,300	$ -	$ 511,300	$ -	$ -	$ 511,300	$ -
$100,000 Project 20-21	100,000	100,000	15,576	84,424	100,000	-	-	-	100,000	100,000	-
$100,000 Project 21-22	100,000	100,000	-	14,805	14,805	85,195	-	-	100,000	100,000	85,195
Smart Schools Project	533,690	533,690	12,800	206	13,006	520,684	-	-	-	-	(13,006)
Solar Panel Project	1,053,000	1,053,000	8,500	394,711	403,211	649,789	-	-	-	-	(403,211)
$19M Capital Project	17,922,559	17,922,559	1,206,936	6,686,289	7,893,225	10,029,334	-	-	6,232,845	6,232,845	(1,660,380)
$17M Capital Project	17,000,000	17,000,000	16,976,439	-	16,976,439	23,561	8,600,000	-	8,416,866	17,016,866	40,427
	$ 37,220,549	$ 37,220,549	$ 18,220,251	$ 7,691,735	$ 25,911,986	$ 11,308,563	$ 9,111,300	$ -	$ 14,849,711	$ 23,961,011	$ (1,950,975)

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited)
June 30, 2022

Capital assets, net	$ 41,509,802
Nondepreciable capital assets	9,196,610
Deduct:	
Bond anticipation notes payable	(9,200,000)
Less: Unspent bond anticipation note proceeds	7,539,620
Short-term portion of bonds payable	(1,786,300)
Long-term portion of bonds payable	(10,257,106)
Less: Unspent bond proceeds	40,427
Short-term potion of capital leases	(12,084)
Long-term portion of capital leases	(15,547)
Other capital-related liabilities	(1,371,943)
Net investment in capital assets	$ 35,643,479

Bonadio & Co., LLP
Certified Public Accountants

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*

October 5, 2022

To the Board of Education of the
Iroquois Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Iroquois Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 5, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

171 Sully 's Trail
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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.

Bonadio & Co., LLP

THE BONADIO GROUP
CPAs, Consultants & More

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

October 5, 2022

To the Board of Education of the
Iroquois Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Iroquois Central School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Iroquois Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

171 Sully's Trail
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Reports on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Bonadio & Co., LLP

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Subrecipients
U.S. Department of Homeland Security:				
Passed through New York State Division of Homeland Security and Emergency Services -				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	$ 40,310	$ -
Total U.S. Department of Homeland Security			40,310	-
U.S. Department of Education:				
Passed through New York State Education Department -				
COVID-19 - Education Stabilization Fund (ESF): Governor's Emergency Education Relief (GEER) Fund	84.425C	5896-21-0785	92,975	-
COVID-19 - Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5892-21-0785	513,186	-
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-0785	383,216	-
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5870-22-9147	205,200	-
Subtotal - COVID-19 - Education Stabilization Fund			1,194,577	-
Title I Grants to Local Educational Agencies	84.010	0021-22-0785	193,258	-
Supporting Effective Instruction State Grants	84.367	0147-22-0785	49,813	-
Student Support and Academic Enrichment Program	84.424	0204-22-0785	14,094	-
Special Education Cluster -				
Special Education Grants to States	84.027	0032-22-0225	475,278	-
COVID-19 - ARP - Special Education Grants to States	84.027	5532-22-0225	44,276	-
Special Education Preschool Grants	84.173	0033-22-0225	14,438	-
COVID-19 - ARP - Special Education Preschool Grants	84.173	5533-22-0225	912	-
Subtotal - Special Education Cluster			534,904	-
Total Passed through New York State Education			1,986,646	-
Total U.S. Department of Education			1,986,646	-
U.S. Department of Health and Human Services:				
Passed through New York State Health and Human Services				
Drug-Free Communities Support Program Grants	93.276	N/A	117,446	-
Total U.S. Department of Health and Human Services			117,446	-

The accompanying notes are an integral part of this schedule

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Subrecipients
U.S. Department of Agriculture:				
Child Nutrition Cluster -				
National School Lunch Program (NSLP)	10.555	N/A	49,315	-
Passed through New York State Education Department -				
School Breakfast Program (SBP)	10.553	N/A	206,408	-
National School Lunch Program (NSLP)	10.555	N/A	908,139	-
Summer Food Service Program for Children (SFSP)	10.559	N/A	88,186	-
Subtotal - Child Nutrition Cluster			1,252,048	-
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	N/A	3,606	-
Total Passed through New York State Education Department			1,206,339	-
Total U.S. Department of Agriculture			1,255,654	-
Total Expenditures of Federal Awards			$ 3,400,056	$ -
Total Program Expenditures by Assistance Listing Number				
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U		$ 588,416	$ -
Special Education Grants to States	84.027		$ 519,554	$ -
Special Education Preschool Grants	84.173		$ 15,350	$ -
National School Lunch Program (NSLP)	10.555		$ 957,454	$ -

The accompanying notes are an integral part of this schedule

IROQUOIS CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Iroquois Central School District (the District), under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the District's general ledger.

3. PASS-THROUGH PROGRAMS

Where the District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing (AL) number advised by the pass-through grantor.

Identifying numbers, other than the AL numbers, which may be assigned by pass-through grantors are not maintained in the District's financial management system. The District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The District did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

5. MATCHING COSTS

Matching costs, i.e., the District's or State's share of certain program costs, are not included in the reported expenditures.

6. NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal financial award program that does not result in cash receipts or disbursements, termed a "non-monetary" program. During the year ended June 30, 2022, the District received food commodities, the fair value of which amounted to $49,315, and is presented in the Schedule as National School Lunch Program (NSLP) (Division of Donated Foods, AL #10.555) and was considered in the District's Single Audit.

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP.	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	___	Yes	X	No
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	X	None noted
Noncompliance material to financial statements noted?	___	Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	___	Yes	X	No
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	X	None noted
Type of auditor's report issued on compliance for major program	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, section 200.516(a)?	___	Yes	X	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
84.425C	COVID-19 - Education Stabilization Fund (ESF): Governor's Emergency Education Relief (GEER) Fund
84.425D	COVID-19 - Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between Type A and Type B programs:	$	750,000		
Auditee qualified as low-risk auditee?	X	Yes	___	No

IROQUOIS CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

D. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None.