

**LEWISTON-PORTER
CENTRAL SCHOOL DISTRICT**

FINANCIAL STATEMENTS

JUNE 30, 2021

Table of Contents

June 30, 2021

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Statement of Net Position

Statement of Activities

Balance Sheet – Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund

Statements of Fiduciary Net Position and Changes in Fiduciary Net Position – Custodial Fund

Notes to Financial Statements

Required Supplementary Information (Unaudited)

Schedule of the District's Proportionate Share of the Net Pension Position – New York State Teachers' Retirement System

Schedule of District Contributions – New York State Teachers' Retirement System

Schedule of the District's Proportionate Share of the Net Pension Position – New York State and Local Employees' Retirement System

Schedule of District Contributions – New York State and Local Employees' Retirement System

Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios

Supplementary Information

Schedule of Change from Original to Final Budget and Calculation of Unrestricted Fund Balance Limit – General Fund

Schedule of Capital Project Expenditures

Schedule of Expenditures of Federal Awards and related notes

Reports on Federal Award Programs

Independent Auditors' 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*

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

INDEPENDENT AUDITORS' REPORT

The Board of Education
Lewiston-Porter Central School District

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As described in Note 2 to the financial statements, the District adopted GASB Statement No. 84, *Fiduciary Activities*, in 2021. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 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 financial statements, and other knowledge we obtained during our audit of the 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 supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information including the schedule of expenditures of federal awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information including the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is stylized and cursive.

September 29, 2021

Management's Discussion and Analysis (unaudited)

June 30, 2021

Introduction

Management's Discussion and Analysis (MD&A) of Lewiston-Porter Central School District (the District) provides an overview of the District's financial performance and activities for the year ended June 30, 2021. The information contained in the MD&A should be considered in conjunction with the information presented in the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements, (2) governmental fund financial statements, (3) reconciliations between the government-wide and governmental fund financial statements, (4) fiduciary fund statements, (5) notes to the financial statements, and (6) supplementary information.

In 2021, the District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). This statement redefines activities considered to be fiduciary, and as a result, payroll, employee third party withholdings, and certain other activities are now recorded in the general fund. In addition, fiduciary liabilities are only recognized when an event has occurred that compels the District to disburse the fiduciary resources or no further action, approval, or condition is required prior to release of the assets. The cumulative effect of implementing this required change in accounting principle resulted in a restatement of beginning net position as detailed in Note 2 to the financial statements. The comparative data in the MD&A for 2020 has not been restated.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between them is reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows; thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District's custodial fund includes extraclassroom activity funds. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles and the New York State Education Department.

Condensed Statement of Net Position	Change			
	2021	2020	\$	%
Current and other assets	\$ 10,961,000	\$ 12,761,000	\$ (1,800,000)	(14.1%)
Capital assets	62,248,000	64,603,000	(2,355,000)	(3.6%)
Total assets	73,209,000	77,364,000	(4,155,000)	(5.4%)
Deferred outflows of resources	12,296,000	10,799,000	1,497,000	13.9%
Long-term liabilities	38,672,000	43,272,000	(4,600,000)	(10.6%)
Other liabilities	10,935,000	11,038,000	(103,000)	(0.9%)
Total liabilities	49,607,000	54,310,000	(4,703,000)	(8.7%)
Deferred inflows of resources	6,492,000	4,619,000	1,873,000	40.5%
Net position				
Net investment in capital assets	25,939,000	25,016,000	923,000	3.7%
Restricted	2,344,000	1,856,000	488,000	26.3%
Unrestricted	1,123,000	2,362,000	(1,239,000)	(52.5%)
Total net position	\$ 29,406,000	\$ 29,234,000	\$ 172,000	0.6%

Net position amounted to \$29,406,000 and \$29,234,000 as of June 30, 2021 and 2020, respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used. These reserves are set aside for specific purposes governed by statutory law and regulations and include the capital reserve, which is dedicated for future renovations as approved by the District's voters; the retirement contribution reserve, restricted to fund contributions paid by the District to the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS); the repair reserve, which is primarily for emergency capital items; and the tax certiorari reserve, which is used to pay claims and judgments resulting from certiorari proceedings. Other restricted resources include the debt service and employee benefit accrued liability reserves.

Current and other assets decreased by \$1,800,000 (\$5,553,000 decrease in 2020). The District's proportionate share of the TRS net pension asset as of June 30, 2020 amounted to \$2,578,000. In 2021, the District's proportionate share of TRS was a liability in the amount of \$2,704,000 and the overall net pension liability increased by \$102,000. Fluctuations are largely a result of changes in actuarial assumptions and actual earnings underperforming projected results. Capital assets decreased \$2,355,000 (\$1,917,000 increase in 2020) as a result of depreciation expense in excess of equipment purchases.

Long-term liabilities decreased by \$4,600,000 (\$1,051,000 decrease in 2020) due to current year principal payments of \$3,415,000 on outstanding bonds and a decrease in the total OPEB liability of \$1,184,000. Other liabilities decreased \$103,000 (decrease of \$1,743,000 in 2020) as result of repayment of certain bond anticipation notes (BANs).

Deferred outflows and deferred inflows of resources include changes in OPEB activity as well as changes in pension activity at the State level, which is required to be reflected on the District's financial statements. Deferred outflows of resources also include contributions required to be paid by the District to the State pension systems after the measurement date. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions relative to pensions.

Condensed Statement of Activities	2021	2020	Change	
			\$	%
Revenues				
Program revenues				
Charges for services	\$ 224,000	\$ 353,000	\$ (129,000)	(36.5%)
Operating grants and contributions	1,862,000	1,741,000	121,000	7.0%
Capital grants and contributions	55,000	-	55,000	100.0%
General revenues				
Taxes and related items	27,901,000	27,148,000	753,000	2.8%
State aid	17,550,000	16,897,000	653,000	3.9%
Other	1,870,000	1,692,000	178,000	10.5%
Total revenues	49,462,000	47,831,000	1,631,000	3.4%
Expenses				
Instruction	39,403,000	39,595,000	(192,000)	(0.5%)
Support services				
General support	6,261,000	6,022,000	239,000	4.0%
Pupil transportation	2,348,000	2,211,000	137,000	6.2%
Food service	442,000	393,000	49,000	12.5%
Interest	1,087,000	1,366,000	(279,000)	(20.4%)
Total expenses	49,541,000	49,587,000	(46,000)	(0.1%)
Change in net position	(79,000)	(1,756,000)	1,677,000	(95.5%)
Net position – beginning	29,234,000	30,990,000	(1,756,000)	(5.7%)
Cumulative effect of a change in accounting principle	251,000	-	-	
Net position – ending	\$ 29,406,000	\$ 29,234,000	\$ 172,000	0.6%

District revenues increased \$1,631,000 in 2021 (0.5% or \$254,000 decrease in 2020). The increase of \$653,000 in State aid (1.2% or \$198,000 increase in 2020) is mainly due to an increase in building aid and recognition of withheld excess cost aid and BOCES aid from 2020 that was recognized as revenue when received in 2021. The District also recognized an increase of \$753,000 in property taxes and tax items (\$443,000 or 1.7% increase in 2020) while staying within the tax levy cap. Total expenses decreased \$46,000 compared to an increase in 2020 of \$1,375,000 or 2.9%. Overall results of operations remained consistent.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased by \$849,000 from \$(1,487,000) to \$(638,000) as follows:

- Total fund revenue increased \$1,588,000 or 3.3% (decrease of \$249,000 or 0.5% in 2020) and total fund expenditures decreased by \$3,363,000 or 6.3% (increase of \$1,308,000 or 2.6% in 2020). Revenues increased due to an increase in real property taxes and State aid, as mentioned previously. Expenditures decreased due to a reduction in capital outlay expenditures by \$3,896,000 or 74.0% (\$943,000 or 21.8% increase in 2020) as previous projects had been completed and initial spending began on the District's 2021 capital improvement project.
- The general fund experienced an increase in fund balance of \$1,260,000 compared to an increase in fund balance of \$369,000 in 2020. This change was mainly attributable to an increase in real property taxes and State sources, as previously mentioned, as well as an adjustment for certain employee benefits as a result of the implementation of GASB Statement No. 84.

General Fund Budgetary Highlights

The revenue budget for 2021 was \$47,093,000 while actual revenues were \$47,655,000, a favorable difference of \$562,000. This difference is attributable to less State aid than expected.

Actual expenditures and carryover encumbrances were less than the final budget by \$3,008,000 or 6.0%. The difference is attributable to many factors and many unknown items at the time the budget is prepared.

Capital Assets

	2021	2020
Land	\$ 2,784,000	\$ 2,784,000
Buildings and improvements	96,620,000	96,620,000
Furniture and equipment	2,722,000	2,667,000
Vehicles	141,000	141,000
Construction in progress	1,313,000	-
	103,580,000	102,212,000
Accumulated depreciation	(41,332,000)	(37,609,000)
	\$ 62,248,000	\$ 64,603,000

Current year additions of 1,368,000 were offset by depreciation expense of \$3,723,000.

Debt

At June 30, 2021, the District had \$24,530,000 in bonds outstanding, with \$3,555,000 due within one year (\$27,945,000 in bonds outstanding in 2020). Compensated absences and other retirement benefits were \$4,927,000, with \$1,959,000 expected to be paid within the following year (\$4,695,000 outstanding at June 30, 2020).

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Current Financial Issues and Concerns

The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on all school districts and their residents, employees, and vendors, none of which can be predicted. Federal revenue sources are expected to increase due to additional pandemic-related funding, but the full extent of Federal assistance is not yet known.

The District will need to plan accordingly to use these additional federal funds. The property tax levy cap requires creative budgeting by management and the Board of Education. These issues and concerns are exacerbated by COVID-19 requiring management to plan carefully and prudently to provide the educational resources necessary to meet student needs and flexibility on how students are taught.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Assistant Superintendent for Administrative Services, Patricia Grupka, at 4061 Creek Road, Youngstown, New York 14174.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

(With comparative totals as of June 30, 2020)

	2021	2020
Assets		
Cash	\$ 8,933,870	\$ 8,039,823
Accounts receivable	49,395	39,623
Due from other governments, net	587,387	422,198
State and federal aid receivable, net	1,380,060	1,662,955
Inventory	10,839	18,140
Net pension asset	-	2,578,092
Capital assets (Note 6)	103,579,720	102,211,624
Accumulated depreciation	(41,331,775)	(37,608,838)
Total assets	73,209,496	77,363,617
Deferred Outflows of Resources		
Defeasance loss	130,310	162,888
Deferred outflows of resources related to pensions	11,739,013	10,192,565
Deferred outflows of resources related to OPEB	426,768	443,408
Total deferred outflows of resources	12,296,091	10,798,861
Liabilities		
Accounts payable and accrued liabilities	1,086,563	833,131
Due to retirement systems	1,758,719	1,645,974
Due to fiduciary funds	-	28,429
Bond anticipation notes	8,090,000	8,530,000
Long-term liabilities		
Due within one year:		
Bonds	3,555,000	3,415,000
Compensated absences and other retirement benefits	1,959,000	1,795,000
Due beyond one year:		
Bonds and related premiums	24,027,426	27,918,144
Compensated absences and other retirement benefits	2,968,000	2,900,000
Net pension liability	2,713,445	2,611,091
Total OPEB liability	3,449,086	4,632,950
Total liabilities	49,607,239	54,309,719
Deferred Inflows of Resources		
Payment received in advance	725,000	725,000
Deferred inflows of resources related to pensions	4,484,336	3,805,090
Deferred inflows of resources related to OPEB	1,282,692	88,521
Total deferred inflows of resources	6,492,028	4,618,611
Net Position		
Net investment in capital assets	25,939,300	25,016,236
Restricted	2,781,755	1,855,472
Unrestricted	685,265	2,362,440
Total net position	\$ 29,406,320	\$ 29,234,148

See accompanying notes.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Statement of Activities

For the year ended June 30, 2021

(With summarized comparative totals for June 30, 2020)

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2021	2020
Governmental activities						
General support	\$ 6,261,230	\$ 79,701	\$ -	\$ -	\$ (6,181,529)	\$ (5,944,051)
Instruction	39,403,329	119,783	1,423,746	55,392	(37,804,408)	(37,948,088)
Pupil transportation	2,348,180	-	-	-	(2,348,180)	(2,210,703)
Interest expense	1,086,733	-	-	-	(1,086,733)	(1,366,257)
School food service	441,503	24,420	438,375	-	21,292	(24,388)
	<u>\$ 49,540,975</u>	<u>\$ 223,904</u>	<u>\$ 1,862,121</u>	<u>\$ 55,392</u>	<u>(47,399,558)</u>	<u>(47,493,487)</u>
General revenues						
Real property and other taxes					27,901,017	27,148,444
Miscellaneous					1,869,521	1,692,245
State aid					17,549,720	16,897,131
Total general revenues					<u>47,320,258</u>	<u>45,737,820</u>
Change in net position					(79,300)	(1,755,667)
Net position - beginning					29,234,148	30,989,815
Cumulative effect of a change in accounting principle (Note 2)					251,472	-
Net position - beginning as restated					<u>29,485,620</u>	<u>30,989,815</u>
Net position - ending					\$ 29,406,320	\$ 29,234,148

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2021

(With summarized comparative totals as of June 30, 2020)

	General	Capital Projects	Special Aid	School Lunch	Total Governmental Funds	
					2021	2020
Assets						
Cash	\$ 8,437,997	\$ 139,664	\$ 311,413	\$ 44,796	\$ 8,933,870	\$ 8,039,823
Accounts receivable	49,395	-	-	-	49,395	39,623
Due from other governments, net	587,387	-	-	-	587,387	422,198
State and federal aid receivable, net	719,332	24,712	537,040	98,976	1,380,060	1,662,955
Due from other funds, net	1,497,200	-	-	-	1,497,200	1,945,924
Inventory	-	-	-	10,839	10,839	18,140
Total assets	\$ 11,291,311	\$ 164,376	\$ 848,453	\$ 154,611	\$ 12,458,751	\$ 12,128,663
Liabilities						
Accounts payable and accrued liabilities	\$ 678,075	\$ 247,915	\$ 19,531	\$ 56,042	\$ 1,001,563	\$ 740,131
Due to retirement systems	1,758,719	-	-	-	1,758,719	1,645,974
Due to other funds, net	-	658,278	828,922	10,000	1,497,200	1,974,353
Bond anticipation notes	-	8,090,000	-	-	8,090,000	8,530,000
Total liabilities	2,436,794	8,996,193	848,453	66,042	12,347,482	12,890,458
Deferred Inflows of Resources						
Payment received in advance	725,000	-	-	-	725,000	725,000
Unavailable revenue	-	24,712	-	-	24,712	-
	725,000	24,712	-	-	749,712	725,000
Fund Balances						
Nonspendable:						
Inventory	-	-	-	10,839	10,839	18,140
Restricted:						
Capital	263,711	-	-	-	263,711	263,711
Retirement contribution	500,000	-	-	-	500,000	500,000
Employee benefit accrued liability	60,584	-	-	-	60,584	60,584
Repair	582,542	-	-	-	582,542	118,756
Debt service	81,268	-	-	-	81,268	56,436
Tax certiorari	1,293,650	-	-	-	1,293,650	855,985
Assigned:						
Designated for subsequent year's expenditures	2,250,000	-	-	-	2,250,000	1,700,000
Other purposes	1,209,860	-	-	77,730	1,287,590	1,918,214
Unassigned	1,887,902	(8,856,529)	-	-	(6,968,627)	(6,978,621)
Total fund balances (deficit)	8,129,517	(8,856,529)	-	88,569	(638,443)	(1,486,795)
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,291,311	\$ 164,376	\$ 848,453	\$ 154,611	\$ 12,458,751	\$ 12,128,663

See accompanying notes.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2021

Total fund balances - governmental funds		\$	(638,443)
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.			62,247,945
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:			
Deferred outflows of resources related to pensions	11,739,013		
Net pension liability	(2,713,445)		
Deferred inflows of resources related to pensions	<u>(4,484,336)</u>	4,541,232	
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.			130,310
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:			
Deferred outflows of resources related to OPEB	426,768		
Total OPEB liability	(3,449,086)		
Deferred inflows of resources related to OPEB	<u>(1,282,692)</u>	(4,305,010)	
Certain revenues collected more than 90 days after year end are not considered earned until received in the governmental funds but are recognized when earned in the government-wide statements.			24,712
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:			
Bonds and related premiums	(27,582,426)		
Accrued interest	(85,000)		
Compensated absences and other retirement benefits	<u>(4,927,000)</u>	(32,594,426)	
Net position - governmental activities		\$	<u>29,406,320</u>

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds**

For the year ended June 30, 2021

(With summarized comparative totals for June 30, 2020)

	General	Capital Projects	Special Aid	School Lunch	Total Governmental Funds	
					2021	2020
Revenues						
Real property taxes	\$ 24,879,901	\$ -	\$ -	\$ -	\$ 24,879,901	\$ 23,956,878
Real property tax items	3,021,116	-	-	-	3,021,116	3,191,566
Charges for services	119,783	-	-	-	119,783	164,759
Use of money and property	86,452	-	-	-	86,452	112,216
Sale of property and compensation for loss	160	-	-	-	160	50
Miscellaneous	1,781,342	-	-	-	1,781,342	1,598,983
State sources	17,549,720	30,680	378,126	10,290	17,968,816	17,459,806
Federal sources	216,238	-	829,382	428,085	1,473,705	1,173,488
Sales	-	-	-	24,420	24,420	109,634
Total revenues	47,654,712	30,680	1,207,508	462,795	49,355,695	47,767,380
Expenditures						
General support	5,044,522	-	-	434,668	5,479,190	5,428,222
Instruction	23,986,087	-	1,245,513	-	25,231,600	25,242,273
Pupil transportation	2,318,398	-	-	-	2,318,398	2,160,979
Employee benefits	9,629,926	-	-	-	9,629,926	9,302,003
Debt service						
Principal	3,855,000	-	-	-	3,855,000	3,570,000
Interest	1,397,873	-	-	-	1,397,873	1,676,397
Capital outlay	-	1,368,096	-	-	1,368,096	5,263,677
Total expenditures	46,231,806	1,368,096	1,245,513	434,668	49,280,083	52,643,551
Excess revenues (expenditures)	1,422,906	(1,337,416)	(38,005)	28,127	75,612	(4,876,171)
Other financing sources (uses)						
BAN premiums	81,268	-	-	-	81,268	64,277
BANs redeemed from appropriations	-	440,000	-	-	440,000	220,000
Operating transfers, net	(495,186)	457,181	38,005	-	-	-
Total other financing sources (uses)	(413,918)	897,181	38,005	-	521,268	284,277
Net change in fund balances	1,008,988	(440,235)	-	28,127	596,880	(4,591,894)
Fund balances (deficit) - beginning	6,869,057	(8,416,294)	-	60,442	(1,486,795)	3,105,099
Cumulative effect of a change in accounting principle (Note 2)	251,472	-	-	-	251,472	-
Fund balances (deficit) - beginning as restated	7,120,529	(8,416,294)	-	60,442	(1,235,323)	3,105,099
Fund balances (deficit) - ending	\$ 8,129,517	\$ (8,856,529)	\$ -	\$ 88,569	\$ (638,443)	\$ (1,486,795)

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year ended June 30, 2021

Total net change in fund balances - governmental funds		\$	596,880
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays.			
			(2,354,841)
Pension expense is recognized when paid on the fund statements of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:			
2021 TRS and ERS contributions	2,173,527		
2021 ERS accrued contribution	157,825		
2020 ERS accrued contribution	(138,768)		
2021 TRS net pension expense	(3,640,394)		
2021 ERS net pension expense	<u>(365,434)</u>		(1,813,244)
Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position.			
			3,415,000
Revenue is recorded to the extent received within 90 days of year end for governmental funds, but on the statement of activities, revenue is recognized when earned.			
			24,712
OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.			
			(26,947)
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:			
Amortization of bond premiums and defeasance loss	303,140		
Compensated absences and other retirement benefits	(232,000)		
Interest	<u>8,000</u>		79,140
Change in net position - governmental activities		\$	<u>(79,300)</u>

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund
Balance Budget (Non-GAAP) and Actual - General Fund**

For the year ended June 30, 2021

	Budgeted Amounts		Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
	Original	Final			
Revenues					
Local sources					
Real property taxes	\$ 27,807,563	\$ 27,807,563	\$ 24,879,901		\$ (2,927,662)
Real property tax items	42,758	42,758	3,021,116		2,978,358
Charges for services	272,500	272,500	119,783		(152,717)
Use of money and property	169,050	169,050	86,452		(82,598)
Sale of property and compensation for loss	4,000	4,000	160		(3,840)
Miscellaneous	1,493,000	1,493,000	1,781,342		288,342
State sources	17,194,789	17,194,789	17,549,720		354,931
Federal sources	109,000	109,000	216,238		107,238
Total revenues	47,092,660	47,092,660	47,654,712		562,052
Expenditures					
General support					
Board of education	136,675	94,614	89,654	-	(4,960)
Central administration	246,737	243,492	242,857	-	(635)
Finance	452,069	441,883	427,590	34	(14,259)
Staff	277,586	292,710	278,023	2,432	(12,255)
Central services	3,614,039	3,918,630	3,518,962	67,876	(331,792)
Special items	515,016	524,116	487,436	-	(36,680)
Instruction					
Instruction, administration, and improvement	1,811,313	1,739,798	1,586,176	600	(153,022)
Teaching - regular school	12,738,898	12,973,326	12,748,892	18,717	(205,717)
Programs for children with handicapping conditions	6,729,202	6,526,702	6,184,244	14,441	(328,017)
Occupational education	826,450	826,450	800,660	-	(25,790)
Teaching - special schools	98,766	52,466	31,374	-	(21,092)
Instructional media	697,124	817,707	790,303	1,432	(25,972)
Pupil services	2,137,771	2,135,071	1,844,438	21,846	(268,787)
Pupil transportation	4,877,451	4,325,280	2,318,398	1,080,419	(926,463)
Employee benefits	10,475,828	10,284,282	9,629,926	2,063	(652,293)
Debt service					
Principal	3,565,000	3,855,000	3,855,000	-	-
Interest	1,613,647	1,397,873	1,397,873	-	-
Total expenditures	50,813,572	50,449,400	46,231,806	1,209,860	(3,007,734)
Excess revenues (expenditures)	(3,720,912)	(3,356,740)	1,422,906	(1,209,860)	3,569,786
Other financing sources (uses)					
BAN premiums	-	-	81,268		81,268
Operating transfers out	(155,000)	(519,172)	(495,186)		(23,986)
Appropriated fund balance, reserves, and encumbrances	3,875,912	3,875,912	-		(3,875,912)
Total other financing sources (uses)	3,720,912	3,356,740	(413,918)		(3,770,658)
Excess revenues (expenditures) and other financing sources (uses)	\$ -	\$ -	\$ 1,008,988	\$ (1,209,860)	\$ (200,872)

See accompanying notes.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2021

Assets

Cash	\$ 104,108
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Net Position

Extraclassroom activity balances	\$ 104,108
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LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2021

Additions

Student activity receipts	\$ 90,520
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Deductions

Student activity disbursements	103,552
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Change in net position	(13,032)
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Net position - beginning	-
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Cumulative effect of a change in accounting principle (Note 2)	117,140
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Net position - beginning as restated	117,140
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Net position - ending	\$ 104,108
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Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Lewiston-Porter Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America, nor does it contain any component units.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Joint Venture

The District is one of 13 participating school districts in the Orleans/Niagara Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2021, the District was billed \$4,742,000 for BOCES administrative and program costs and recognized revenue of \$408,000 as a refund from prior year expenditures paid to BOCES. Audited financial statements are available from BOCES' administrative offices.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) grants and contributions limited to the purchase of specific capital assets. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

Fund Financial Statements: The fund financial 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 the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District also elected to display the following as major funds:

- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources - other than expendable trusts or major capital projects - such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *School lunch fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.

The District has elected not to use a debt service fund as debt activity is currently reflected in the general fund. Amounts accumulated for the payment of future principal and interest payments restricted for such purposes are included in the general fund.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for the collection and distribution of student activity accounts.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include property taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds 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 they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment and property purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2021, the tax lien was issued on August 10, 2020 for collection from September 1, 2020 through October 30, 2020. Thereafter, uncollected amounts became the responsibility of Niagara County and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2020 was approved by a majority of the voters in a general election. Due to COVID-19, voting occurred by absentee ballot through June 9, 2020.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Inventory

Inventory consists of food and similar food service goods related to school lunch operations and is recorded at the lower of first-in, first-out cost or net realizable value. Donated commodities are stated at values which approximate market.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisal. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 5,000	40
Furniture and equipment	\$ 5,000	5
Vehicles	\$ 5,000	7

Bond Defeasances

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the District recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

Other Postemployment Benefits (OPEB)

On the government-wide statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense for the District's defined benefit healthcare plan (Note 10) have been measured on the same basis as reported by the plan. Benefit payments in the plan are recognized when due and payable in accordance with benefit terms.

Payment Received in Advance

Payment received in advance resulting from an inter-governmental agreement is presented as a deferred inflow of resources and recognized in the following year in both the government-wide and governmental fund financial statements when the time restriction expires.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and those expected to become eligible to receive such payments are included. Vacation time is accrued on the basis of negotiated contracts with administrators and employee groups which provide for the lump sum payment of this vested amount at retirement or the option of converting this amount to provide for the payment of health insurance until exhausted.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Other Retirement Benefits

Substantially all District employees are eligible to receive additional retirement benefits from the District in accordance with various employment contracts. These benefits are based on employee compensation and generally dependent on certain retirement criteria connected with the State's retirement systems. The District recognizes expenses as employees become eligible for these benefits in the government-wide statements and as an expenditure when paid in the governmental fund statements.

Equity Classifications

Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

Governmental Fund Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash and include inventory.

Fund balance restrictions include scholarships donated to the District by third parties for the benefit of students and the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both establishment of the reserve and payments from the reserve. During 2016, voters approved a capital reserve for \$3,500,000, plus interest earnings, over 10 years. To date, \$750,000 has been funded.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. Funding for TRS is limited to 2% annually of eligible salaries up to a maximum reserve of 10% of eligible salaries. At June 30, 2021, the retirement contribution reserve includes \$300,000 for TRS and \$200,000 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is 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.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment and requires a public hearing for its use.
- *Debt service* - is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Tax certiorari* – is used to pay judgments and claims resulting from certiorari proceedings. Funds not used by July 1 of the fourth fiscal year following their deposit must be returned to unassigned fund balance.

Interfund Balances

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (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 fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

2. Change in Accounting Principle

Effective July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. This statement redefines activities considered to be fiduciary, and as a result, payroll, employee third party withholdings, and certain other activities are now recorded in the general fund. In addition, fiduciary liabilities are only recognized when an event has occurred that compels the District to disburse the fiduciary resources or no further action, approval, or condition is required prior to release of the assets. The impact of these required accounting changes on the District's government-wide, governmental fund, and fiduciary fund activity is as follows:

	General Fund	Total Government-Wide	Fiduciary Fund
Fund balance/net position/fiduciary net position, July 1, 2020	\$ 6,869,057	\$ 29,234,148	\$ -
Section 105(h) plan and other benefits	251,472	251,472	-
Student activity accounts	-	-	117,140
Fund balance/net position/fiduciary net position, as restated, July 1, 2020	\$ 7,120,529	\$ 29,485,620	\$ 117,140

Fund balance and net position have not been restated in the prior year columns of the applicable financial statements as such information does not constitute a full comparative presentation of the prior year.

3. Stewardship and Compliance

The capital projects deficit fund balance of \$8,856,529 will be funded when bond anticipation notes are converted to permanent financing.

4. Cash

Cash management is governed by State laws and as established in the District's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District's banking policies permit the Treasurer to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2021, the District's bank deposits were fully insured by FDIC coverage or collateralized by either securities held by the pledging institution's agent in the District's name or an undivided security interest in pooled assets in the District's name.

5. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ 1,524,673	\$ 27,473	\$ -	\$ 495,186
Capital projects	-	658,278	457,181	-
Special aid	-	828,922	38,005	-
School lunch	-	10,000	-	-
	<u>\$ 1,524,673</u>	<u>\$ 1,524,673</u>	<u>\$ 495,186</u>	<u>\$ 495,186</u>

The District's general fund provides cash flow to the various other funds; these amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. The general fund made permanent transfers to the special aid fund to cover its share of costs for the summer school handicap program and to the capital projects fund to be used towards current projects.

6. Capital Assets

	July 1, 2020	Increases	Retirements/ Reclassifications	June 30, 2021
Non-depreciable capital assets:				
Land	\$ 2,783,527	\$ -	\$ -	\$ 2,783,527
Construction in progress	-	1,312,704	-	1,312,704
Total non-depreciable assets	2,783,527	1,312,704	-	4,096,231
Depreciable capital assets:				
Buildings and improvements	96,619,504	-	-	96,619,504
Furniture and equipment	2,666,974	55,392	-	2,722,366
Vehicles	141,619	-	-	141,619
Total depreciable assets	99,428,097	55,392	-	99,483,489
Less accumulated depreciation:				
Buildings and improvements	36,303,991	3,360,345	-	39,664,336
Furniture and equipment	1,224,130	353,457	-	1,577,587
Vehicles	80,717	9,135	-	89,852
Total accumulated depreciation	37,608,838	3,722,937	-	41,331,775
Total depreciable assets, net	61,819,259	(3,667,545)	-	58,151,714
	\$ 64,602,786	\$ (2,354,841)	\$ -	\$ 62,247,945

Depreciation expense has been allocated to the following functions: general support \$93,073, instruction \$3,623,029, and school food service \$6,835.

As of June 30, 2021, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	\$ 62,247,945
Defeasance loss	130,310
Bond anticipation notes and other liabilities	(8,856,529)
Bonds and financing leases	(27,582,426)
	<u>\$ 25,939,300</u>

7. Short-Term Debt

Aggregate bond anticipation notes (BANs) outstanding at June 30, 2021 amount to \$8,090,000 (\$8,530,000 at June 30, 2020), carry interest at 1.25% (1.25% at June 30, 2020), and mature in June 2022. In 2021, \$440,000 of outstanding BANs were redeemed from appropriations and the balance was repaid with the proceeds from the new BANs. BANs continue to be used for ongoing capital projects and will be renewed until such time that permanent financing is obtained.

8. Long-Term Liabilities

	July 1, 2020	Increases	Decreases	June 30, 2020	Amount Due in One Year
Bonds	\$ 27,945,000	\$ -	\$ 3,415,000	\$ 24,530,000	\$ 3,555,000
Premiums on bonds	3,388,144	-	335,718	3,052,426	-
Compensated absences and other retirement benefits	4,695,000	232,000	-	4,927,000	1,959,000
	<u>\$ 36,028,144</u>	<u>\$ 232,000</u>	<u>\$ 3,750,718</u>	<u>\$ 32,509,426</u>	<u>\$ 5,514,000</u>

Existing Obligations

Description	Maturity	Rate	Balance
Refunding Serial Bonds - 2016	June 2023	2.00%-4.00%	\$ 1,220,000
Serial Bonds - 2017	June 2029	2.00%-2.75%	1,615,000
Refunding Serial Bonds - 2017	June 2025	2.00%-5.00%	3,955,000
DASNY Bonds - 2018	June 2033	5.00%	17,740,000
			<u>\$ 24,530,000</u>

Debt Service Requirements

Years ending June 30,	Principal	Interest
2022	\$ 3,555,000	\$ 1,143,894
2023	2,905,000	989,844
2024	2,395,000	868,894
2025	2,440,000	754,750
2026	1,745,000	640,500
2027-2031	9,575,000	1,895,810
2032-2033	1,915,000	130,250
	<u>\$ 24,530,000</u>	<u>\$ 6,423,942</u>

9. Pension Plans

Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.53% for 2021. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2021, these rates ranged from 9.7% - 16.2%.

The amount outstanding and payable to TRS for the year ended June 30, 2021 was \$1,605,424. A liability to ERS of \$157,825 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2021.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

At June 30, 2021, the District reported a liability of \$2,703,528 for its proportionate share of the TRS net pension position and a liability of \$9,917 for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures applied to roll forward the net pension position to June 30, 2020. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2020, the District's proportion was 0.097838%, a decrease of 0.001395 from its proportion measured as of June 30, 2019.

The ERS net pension position was measured as of March 31, 2021, and the total pension liability was determined by an actuarial valuation as of April 1, 2020. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2021 measurement date, the District's proportion was 0.0099592%, an increase of 0.0000988 from its proportion measured as of March 31, 2020.

For the year ended June 30, 2021, the District recognized net pension expense of \$4,005,828 on the government-wide statements (expense from TRS of \$3,640,394 and expense from ERS of \$365,434). At June 30, 2021, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,368,832	\$ 138,551	\$ 121,111	\$ -
Changes of assumptions	3,419,334	1,218,814	1,823,379	34,389
Net difference between projected and actual earnings on pension plan investments	1,765,641	-	-	2,848,688
Changes in proportion and differences between contributions and proportionate share of contributions	157,388	196,978	320,079	46,916
District contributions subsequent to the measurement date	1,605,424	-	157,825	-
	<u>\$ 9,316,619</u>	<u>\$ 1,554,343</u>	<u>\$ 2,422,394</u>	<u>\$ 2,929,993</u>

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

Years ending June 30,	TRS		ERS	
2022	\$	1,054,511	\$	(66,824)
2023		2,127,338		16,756
2024		1,722,990		(100,512)
2025		1,054,494		(514,844)
2026		59,261		-
Thereafter		138,258		-
	<u>\$</u>	<u>6,156,852</u>	<u>\$</u>	<u>(665,424)</u>

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2019 valuation, with update procedures used to roll forward the total pension liability to June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

Inflation – 2.2%

Salary increases – Based on TRS member experience, dependent on service, ranging from 1.90%-4.72%

Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually

Investment rate of return – 7.1% compounded annually, net of investment expense, including inflation

Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, applied on a generational basis

Discount rate – 7.1%

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

For ERS, the actuarial assumptions used in the April 1, 2020 valuation, with update procedures used to roll forward the total pension liability to March 31, 2021, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.7%

Salary increases – 4.4%

COLA – 1.4% annually

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Society of Actuaries' Scale MP-2020

Discount rate – 5.9%

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

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	7.1%	32%	4.1%
Global and international equities	20%	7.4%-7.7%	15%	6.3%
Private equities	8%	10.4%	10%	6.8%
Real estate	11%	6.8%	9%	5.0%
Domestic fixed income securities	16%	1.8%	23%	-
Global fixed income securities	2%	1.0%	-	-
Bonds and mortgages	7%	3.6%	-	-
Short-term	1%	0.7%	1%	0.5%
Other	2%	3.9%-5.2%	10%	3.6%-6.0%
	<u>100%</u>		<u>100%</u>	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 7.1% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	\$ (17,077,258)	\$ (2,703,528)	\$ 9,359,673
District's proportionate share of the ERS net pension asset (liability)	\$ (2,752,512)	\$ (9,917)	\$ 2,519,398

10. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance for certain District retirees and their spouses. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. Eligibility is based on covered employees who retire from the District over the age of 55 and have met vesting requirements. The Plan is also open to all eligible employees and provides continued insurance by payment of monthly premiums by retirees through participation in the District's policies. The District thereby provides an implicit rate subsidy on behalf of eligible employees. All active participants are assumed to continue coverage at retirement. Plan options include single, family, and post-age 65 Medicare advantage plans. The Plan has no assets, does not issue financial statements, and is not a trust.

At June 30, 2020, employees covered by the Plan include:

Active employees	274
Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	-
	<u>290</u>

Total OPEB Liability

The District's total OPEB liability of \$3,449,086 was measured as of June 30, 2020 and was determined by an actuarial valuation as of the same date.

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

Healthcare cost trend rates – based on the National Health Expenditure Projections 2012-2028 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2020_b for long-term rates, initially 6.50% with an ultimate rate of 3.78% after 2075

Salary increases – 3.00%

Mortality – Headcount-weighted Pub-2010 mortality tables for employees and healthy annuitants, and then adjusted for mortality improvements with Scale MP-2019 on a fully generational basis

Discount rate – 2.45% based on the Fidelity General Obligation 20-Year AA Municipal Bond rate as of the measurement date

Inflation rate – 2.25%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 4,632,950
Changes for the year:	
Service cost	250,436
Interest	149,638
Changes of benefit terms	-
Differences between expected and actual experience	(731,338)
Changes of assumptions or other inputs	(647,367)
Benefit payments	(205,233)
Net changes	(1,183,864)
Balance at June 30, 2021	\$ 3,449,086

The following presents the sensitivity of the District's total OPEB liability to changes in the discount rate, including what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (1.45%)	Discount Rate (2.45%)	1.0% Increase (3.45%)
Total OPEB liability	\$ (3,673,116)	\$ (3,449,086)	\$ (3,231,986)

The following presents the sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rates, including what the District's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (5.50% to 2.78%)	Healthcare Cost Trend Rate (6.50% to 3.78%)	1.0% Increase (7.50% to 4.78%)
Total OPEB liability	\$ (3,102,861)	\$ (3,449,086)	\$ (3,850,258)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2021, the District recognized OPEB expense of \$250,072. At June 30, 2021, the District reported deferred outflows 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	\$ 68,527	\$ 641,823
Changes of assumptions or other inputs	135,116	640,869
Benefit payments subsequent to the measurement date	223,125	-
	\$ 426,768	\$ 1,282,692

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2022	\$ (150,002)
2023	(150,002)
2024	(150,002)
2025	(150,002)
2026	(142,661)
Thereafter	(336,380)
	\$ (1,079,049)

11. Risk Management

General Liability

The District purchases commercial insurance for health insurance and various other risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

12. Commitments and Contingencies

Grants

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

Commitments

The District's taxpayers have approved a capital improvement project that remains in progress at year end and is expected to cost \$17,250,000. As of June 30, 2021, \$856,000 has been expended on the project and numerous open contracts are in place.

Encumbrances

Significant outstanding encumbrances in the general fund as of June 30, 2021 include \$1,080,000 for transportation.

Litigation

The District is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of the District.

13. Risks and Uncertainties

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease continued into 2021, and the District was required to implement numerous safety measures and remote learning initiatives. The full extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on school districts and their residents, employees, and vendors, none of which can be predicted.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System

As of the measurement date of June 30,	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.097838%	0.099233%	0.099705%	0.095644%	0.094954%	0.097490%	0.096645%	0.102608%
District's proportionate share of the net pension asset (liability)	\$ (2,703,528)	\$ 2,578,092	\$ 1,802,933	\$ 726,989	\$ (1,016,996)	\$ 10,126,072	\$ 10,765,666	\$ 675,420
District's covered payroll	\$ 16,606,208	\$ 16,563,682	\$ 16,192,316	\$ 15,154,386	\$ 14,750,234	\$ 14,569,785	\$ 14,275,994	\$ 15,143,716
District's proportionate share of the net pension position as a percentage of its covered payroll	16.28%	15.56%	11.13%	4.80%	6.89%	69.50%	75.41%	4.46%
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%
The following is a summary of changes of assumptions:								
Inflation	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

**Required Supplementary Information
Schedule of District Contributions
New York State Teachers' Retirement System**

For the years ending June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,605,424	\$ 1,471,310	\$ 1,759,063	\$ 1,586,847	\$ 1,776,094	\$ 1,955,881	\$ 2,567,141	\$ 2,319,849	\$ 1,793,016
Contribution in relation to the contractually required contribution	(1,605,424)	(1,471,310)	(1,759,063)	(1,586,847)	(1,776,094)	(1,955,881)	(2,567,141)	(2,319,849)	(1,793,016)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 16,846,002	\$ 16,606,208	\$ 16,563,682	\$ 16,192,316	\$ 15,154,386	\$ 14,750,234	\$ 14,569,785	\$ 14,275,994	\$ 15,143,716
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.62%	16.25%	11.84%

Data prior to 2013 is unavailable.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0099592%	0.0098604%	0.0107156%	0.0113482%	0.0114654%	0.0110517%	0.0108907%
District's proportionate share of the net pension liability	\$ (9,917)	\$ (2,611,091)	\$ (759,230)	\$ (366,256)	\$ (1,077,312)	\$ (1,773,822)	\$ (367,916)
District's covered payroll	\$ 3,886,279	\$ 3,731,558	\$ 3,794,465	\$ 3,813,204	\$ 3,837,314	\$ 3,479,173	\$ 3,519,424
District's proportionate share of the net pension position as a percentage of its covered payroll	0.26%	69.97%	20.01%	9.60%	28.07%	50.98%	10.45%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
The following is a summary of changes of assumptions:							
Inflation	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of District Contributions
New York State and Local Employees' Retirement System

For the years ending June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 568,103	\$ 545,243	\$ 564,829	\$ 577,550	\$ 595,001	\$ 666,905	\$ 603,545	\$ 807,229	\$ 744,429
Contribution in relation to the contractually required contribution	(568,103)	(545,243)	(564,829)	(577,550)	(595,001)	(666,905)	(603,545)	(807,229)	(744,429)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,886,279	\$ 3,731,558	\$ 3,794,465	\$ 3,813,204	\$ 3,837,314	\$ 3,479,173	\$ 3,519,424	\$ 3,940,499	\$ 3,987,375
Contributions as a percentage of covered payroll	14.62%	14.61%	14.89%	15.15%	15.51%	19.17%	17.15%	20.49%	18.67%

Data prior to 2013 is unavailable.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios

June 30,	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 4,632,950	\$ 4,221,658	\$ 2,304,643	\$ 2,278,360
Changes for the year:				
Service cost	250,436	222,798	121,044	130,769
Interest	149,638	158,198	84,898	69,424
Changes of benefit terms	-	-	1,709,100	-
Differences between expected and actual experience	(731,338)	-	106,318	-
Changes of assumptions or other inputs	(647,367)	178,986	(22,498)	(110,703)
Benefit payments	(205,233)	(148,690)	(81,847)	(63,207)
Net change in total OPEB liability	(1,183,864)	411,292	1,917,015	26,283
Total OPEB liability - ending	\$ 3,449,086	\$ 4,632,950	\$ 4,221,658	\$ 2,304,643
Covered-employee payroll	\$ 20,864,716	\$ 20,136,786	\$ 21,089,380	\$ 20,501,000
Total OPEB liability as a percentage of covered-employee payroll	16.5%	23.0%	20.0%	11.2%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

For 2021, differences between expected and actual experience reflect the repeal of the Affordable Care Act's excise "Cadillac" taxes as part of the Further Consolidated Appropriations Act of 2020. Changes of assumptions or other inputs reflect a reduction in the retiree election percentage from 45% to 35% and a revision in the surviving spouse election percentage from 100% to 0% to better reflect actual experience. For 2019, changes of benefit terms reflect changes in health insurance plans, adjustment for additional benefits to active employees, and inclusion of additional retirees in the plan.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	6.50%-3.78%	6.75%-3.78%	7.00%-3.89%	7.25%-3.89%
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases	3.0%	3.0%	3.0%	3.0%
Discount rate	2.45%	3.13%	3.62%	3.56%
Society of Actuaries' mortality scale	MP-2019	MP-2018	MP-2017	MP-2017

Data prior to 2018 is unavailable.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Change from Original to Final Budget and
Calculation of Unrestricted Fund Balance Limit - General Fund

For the year ended June 30, 2021

Original expenditure budget	\$ 49,092,660
Encumbrances carried over from prior year	<u>1,875,912</u>
Revised expenditure budget	<u>\$ 50,968,572</u>

* * *

Unrestricted Fund Balance

Assigned	\$ 3,459,860
Unassigned	<u>1,887,902</u>
	5,347,762

Encumbrances included in assigned fund balance	(1,209,860)
Appropriated fund balance used for tax levy	<u>(2,250,000)</u>

Amount subject to 4% limit pursuant to Real Property Tax Law §1318	<u>\$ 1,887,902</u>
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§1318 of Real Property Tax Law - unrestricted fund balance limit calculation

2022 expenditure budget (unaudited)	\$ 51,195,913
4% of budget	<u>2,047,837</u>

Actual percentage of 2022 expenditure budget	<u>3.7%</u>
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LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2021

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Smart Schools Bond Act	\$ 1,354,745	\$ 1,354,745	\$ 1,275,656	\$ 55,392	\$ 1,331,048	\$ 23,697
Crawl Space	267,380	267,380	-	260,389	260,389	6,991
2021 Capital Improvement Project	17,250,000	17,250,000	-	855,523	855,523	16,394,477
Middle School Emergency Project	73,889	96,792	-	96,792	96,792	-
Capital Outlay 2021	100,000	100,000	-	100,000	100,000	-
	<u>\$ 19,046,014</u>	<u>\$ 19,068,917</u>	<u>\$ 1,275,656</u>	<u>\$ 1,368,096</u>	<u>\$ 2,643,752</u>	<u>\$ 16,425,165</u>

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor Number	Expenditures
<u>U.S. Department of Education:</u>			
Passed Through New York State Education Department			
Special Education Cluster:			
Special Education Grants to States	84.027	0032-21-0602	\$ 550,255
Special Education Preschool Grants	84.173	0033-21-0602	17,816
Total Special Education Cluster			<u>568,071</u>
Title I Grants to Local Educational Agencies	84.010	0021-21-1945	218,331
Title I Grants to Local Educational Agencies	84.010	0021-20-1945	594
Supporting Effective Instruction State Grants	84.367	0147-21-1945	24,957
Supporting Effective Instruction State Grants	84.367	0147-20-1945	5,637
Student Support and Academic Enrichment Program	84.424	0204-21-1945	9,918
Student Support and Academic Enrichment Program	84.424	0204-20-1945	1,874
Education Stabilization Fund - Governor's Emergency			
Education Relief Fund	84.425C	5895-21-1945	25,677 ¹
Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund	84.425D	5890-21-1945	100,897 ¹
Total U.S. Department of Education			<u>955,956</u>
<u>U.S. Department of Agriculture:</u>			
Passed Through New York State Education Department			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	N/A	37,736
COVID-19 - National School Lunch Program	10.555	N/A	109,154
COVID-19 - Summer Food Service Program for Children	10.559	N/A	213,055
Passed Through New York State Office of General Services			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	68,140
Total Child Nutrition Cluster and U.S. Department of Agriculture			<u>428,085</u>
Total Expenditures of Federal Awards			<u>\$ 1,384,041</u>

¹ Total Education Stabilization Fund - \$126,574

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs administered by Lewiston-Porter Central School District (the District), an entity as defined in Note 1 to the District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

Basis of Accounting

The District uses the modified accrual basis of accounting for each federal program, consistent with the fund basis financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Indirect Costs

The District does not use the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

Non-Monetary Federal Program

The District is the recipient of a federal award program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2021, the District used \$68,140 worth of commodities under the National School Lunch Program (CFDA Number 10.555).

INDEPENDENT AUDITORS' 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*

The Board of Education
Lewiston-Porter 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 remaining fund information of Lewiston-Porter Central School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

September 29, 2021

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

The Board of Education
Lewiston-Porter Central School District

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

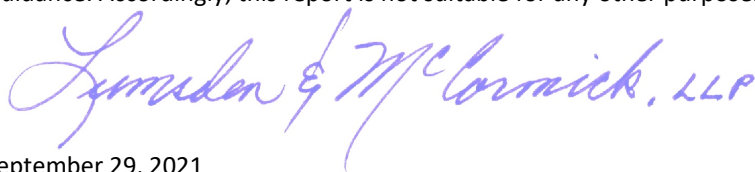
Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

September 29, 2021

Schedule of Findings and Questioned CostsFor the year ended June 30, 2021

Section I. Summary of Auditors' ResultsFinancial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

Name of Federal Program or Cluster	CFDA #	Amount
Special Education Cluster:		
Special Education Grants to States	84.027	\$ 550,255
Special Education Preschool Grants	84.173	17,816
Total Special Education Cluster		<u>\$ 568,071</u>

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

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.