GRAND ISLAND CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2022

GRAND ISLAND CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Grand Island Central School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

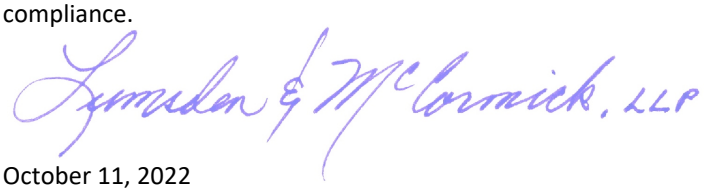
Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 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 October 11, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



October 11, 2022

Management's Discussion and Analysis (unaudited)

June 30, 2022

Introduction

Management's Discussion and Analysis (MD&A) of Grand Island Central School District (the District) provides an overview of the District's financial performance and activities for the year ended June 30, 2022. The information contained in the MD&A should be considered in conjunction with the information presented as part of the District's financial statements which follow. This MD&A, the financial statements, and notes thereto are essential to obtaining 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 2022, the District adopted GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and that recognized income or expenditures, based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease as a liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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, with the net difference 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 maintains a custodial fund for student activity accounts. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. 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	2022	2021	Change $	Change %
Current and other assets	$ 44,407,000	$ 17,998,000	$ 26,409,000	146.7%
Capital assets	84,338,000	83,659,000	679,000	0.8%
Total assets	128,745,000	101,657,000	27,088,000	26.6%
Deferred outflows of resources	17,561,000	18,727,000	(1,166,000)	(6.2%)
Long-term liabilities	76,550,000	67,129,000	9,421,000	14.0%
Other liabilities	4,921,000	22,904,000	(17,983,000)	(78.5%)
Total liabilities	81,471,000	90,033,000	(8,562,000)	(9.5%)
Deferred inflows of resources	33,038,000	7,794,000	25,244,000	323.9%
Net position				
Net investment in capital assets	28,796,000	28,671,000	125,000	0.4%
Restricted	7,261,000	5,130,000	2,131,000	41.5%
Unrestricted	(4,260,000)	(11,244,000)	6,984,000	(62.1%)
Total net position	$ 31,797,000	$ 22,557,000	$ 9,240,000	41.0%

Net position amounted to $31,797,000 and $22,557,000 at June 30, 2022 and 2021. 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 or lease 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 which includes reserves set aside for specific purposes governed by law and regulations. Such items include the retirement contribution reserve, restricted to fund contributions paid by the District for the New York State and Local Employees' Retirement System (ERS); the debt service reserve, which is set aside for the repayment of bonds issued to finance capital projects; and the employee benefit accrued liability reserve, which must be used to pay future accumulated vacation and sick time. Other restricted resources include unemployment insurance, capital, tax certiorari reserves, and amounts restricted for scholarships.

Total assets increased by $27,088,000 ($9,705,000 or 10.6% increase in 2021). Current and other assets increased by $26,409,000 primarily due to the District's proportionate share of the New York State Teachers' Retirement System (TRS) and ERS net pension assets of $25,885,000. In 2021, these amounts were net pension liabilities of $3,913,000 and included in long-term liabilities. The $29,798,000 change in the TRS and ERS net pension position is largely a result of actual plan earnings exceeding projected amounts. Capital assets increased by $679,000 ($12,735,000 increase in the 2021) due to the capital improvement project which was completed during the year exceeding depreciation and amortization expense.

Total liabilities decreased $8,562,000 ($10,212,000 or 12.8% increase in 2021). Long-term liabilities increased by $9,421,000 (decrease of $3,385,000 in 2021) due to the issuance of new bonds and related premiums in the amount of $17,780,000, partially offset by required principal payments of $3,571,000. In addition, there was a decrease in the District's proportionate share of TRS and ERS of $3,913,000 as stated above. Other liabilities decreased $17,983,000 (increase of $13,597,000 in 2021) due to the bond anticipation notes of $18,200,000 converted into a bond during the year.

Changes in deferred outflows and deferred inflows of resources reflect changes in OPEB as well as pension activity at the State level which is required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date, and as such are not included in the current net pension position. Deferred outflows of resources 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	2022	2021	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 249,000**	$ 146,000	$ 103,000	70.5%
Operating and capital grants and contributions	**6,773,000**	3,055,000	3,718,000	121.7%
General revenues				
Property and sales tax	**40,737,000**	39,101,000	1,636,000	4.2%
State aid	**21,803,000**	20,053,000	1,750,000	8.7%
Other	**522,000**	687,000	(165,000)	(24.0%)
Total revenue	**70,084,000**	63,042,000	7,042,000	11.2%
Expenses				
Instruction	**47,094,000**	50,980,000	(3,886,000)	(7.6%)
Support services				
General support	**7,640,000**	7,481,000	159,000	2.1%
Pupil transportation	**3,602,000**	3,577,000	25,000	0.7%
Food service	**1,107,000**	965,000	142,000	14.7%
Interest expense	**1,507,000**	1,517,000	(10,000)	(0.7%)
Total expenses	**60,950,000**	64,520,000	(3,570,000)	(5.5%)
Change in net position	**9,134,000**	(1,478,000)	10,612,000	(718.0%)
Net position – beginning	**22,557,000**	24,035,000	(1,478,000)	(6.1%)
Cumulative effect of a change in accounting principle	**106,000**		106,000	
Net position – ending	**$ 31,797,000**	$ 22,557,000	$ 9,240,000	41.0%

The District revenues increased $7,042,000 ($737,000 or 1.2% increase in 2021). This increase was largely due to an increase of operating grants from the Education Stabilization Fund (increase of $1,775,000), Child Nutrition (increase of $851,000), and COVID-19 pandemic disaster relief grants (increase of $322,000) from Federal Emergency Management Agency. State aid increased $1,750,000 due to additional general aid in the State budget, building aid as result of recently completed capital projects, and transportation aid as result of an increase in transportation expenses in 2021. Also, the taxes and related items increased $1,636,000 attributable to an increase in the property tax levy and sales tax collections.

Total expenses decreased $3,570,000 ($491,000 or 0.8% decrease in 2021). This decrease was primarily related to the reduction in pension expense of $6,978,000. This was offset by an increase in payroll expense of $2,158,000 as a result of hiring additional employees as result of increased federal funding and raises from the collective bargaining units. Additionally, BOCES services increased $719,000 as a result of capital improvements, services for students with special needs, and professional development.

Financial Analysis of the District's Funds

Total governmental fund balance is $14,233,000, an increase of $18,760,000 from 2021 which had a deficit fund balance of $4,527,000.

- Total fund revenues increased $7,248,000 or 11.5% ($544,000 or 0.9% in 2021) and total fund expenditures decreased $6,309,000 or 8.2% ($9,305,000 increase or 13.8% in 2021). The increased revenue is primarily due to additional Federal grants and State aid of $5,467,000 discussed previously. Additionally, property and sales taxes increased $1,636,000. Capital outlay expenditures decreased $13,078,000 as a result of capital projects being completed during the year, which was offset by increases in payroll of $2,158,000, debt service of $1,485,000, BOCES services of $719,000, and employee benefits of $1,710,000, including self-funded health insurance.
- Fund balance in the general fund increased $4,380,000 primarily as a result of increases in state aid and sales tax mentioned above. Also, the District had transfers from the capital project fund in the amount of $2,976,000 related to unspent funds.
- The school lunch fund's deficit fund balance was $85,000, a $764,000 improvement from June 30, 2021, which was primarily the result of an increase in federal reimbursement rates and meals served during the year.

- The capital projects fund balance was $47,000 ($13,505,000 deficit in 2021) due to the issuance of bonds, and related premiums, in the amount of $17,780,000, which was offset by a transfer to the general fund of $2,976,000 to close out completed capital projects.

General Fund Budgetary Highlights

The final general fund revenue budget for 2022 was $62,508,000; actual revenues were $63,729,000, resulting in a $1,221,000 favorable variance from budget. This variance is primarily due to sales tax revenue, which was greater than expected.

Actual expenditures and carryover encumbrances were $3,835,000 less than the final amended budget of $66,952,000. This difference is attributable to many factors and many unknown items when the budget is prepared.

Capital Assets

	2022	2021
Land and land improvements	$ 3,682,000	$ 3,599,000
Buildings and improvements	114,272,000	93,641,000
Furniture and equipment	6,756,000	7,347,000
Vehicles	8,431,000	7,610,000
Construction in progress	-	18,399,000
	133,141,000	130,596,000
Accumulated depreciation	(49,389,000)	(46,937,000)
	83,752,000	83,659,000
Right-to-use leased equipment, net	586,000	-
	$ 84,338,000	$ 83,659,000

Current year additions of $3,317,000 were offset by depreciation and amortization expense and disposals totaling $3,170,000. The difference of $532,000 represents the beginning of year impact from the implementation of GASB 87.

Debt

At June 30, 2022, the District had $55,542,000 in bonds and related premiums and leases outstanding, with $4,392,000 due within one year ($41,483,000 of bonds and related premiums outstanding in 2021). Outstanding compensated absences were $14,621,000 ($14,846,000 in 2021) with $1,979,000 expected to be paid within one year.

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 school districts, including its residents, employees, and vendors, none of which can be predicted. Federal revenue sources have increased 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 ensure continuity of programs upon the eventual reduction in these funds.

School districts in New York State are also impacted by the political pressures imposed on elected officials in funding of education. Year to year changes in funding levels and State aid formulas complicate this planning process.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 Dr. Rubie Harris, Assistant Superintendent for School Business and Finance, Grand Island Central School District, 1100 Ransom Road, Grand Island, New York 14072.

Statement of Net Position

June 30, 2022

Assets	
Cash	$ 12,940,089
Due from other governments	1,393,593
Accounts receivable	41,157
State and federal aid receivable	4,102,360
Inventory	45,676
Net pension asset	25,884,627
Capital assets (Note 6)	134,091,426
Accumulated depreciation and amortization	(49,753,297)
Total assets	128,745,631
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	17,101,646
Deferred outflows of resources related to OPEB	459,040
Total deferred outflows of resources	17,560,686
Liabilities	
Accounts payable	953,164
Accrued liabilities	1,129,926
Due to retirement systems	2,838,348
Long-term liabilities	
Due within one year:	
Leases	153,212
Bonds	4,238,694
Compensated absences	1,979,000
Due beyond one year:	
Leases	301,556
Bonds and related premiums	50,848,497
Compensated absences	12,642,000
Total OPEB liability	6,387,192
Total liabilities	81,471,589
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	32,301,377
Deferred inflows of resources related to OPEB	736,206
Total deferred inflows of resources	33,037,583
Net Position	
Net investment in capital assets	28,796,170
Restricted	7,261,160
Unrestricted	(4,260,185)
Total net position	$ 31,797,145

See accompanying notes.

Statement of Activities

For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities					
General support	$ 7,640,073	$ 10,829	$ -	$ -	**$ (7,629,244)**
Instruction	47,093,263	88,861	4,800,215	333,376	**(41,870,811)**
Pupil transportation	3,602,056	-	-	-	**(3,602,056)**
Community service	447	-	-	-	**(447)**
Interest expense	1,506,889	-	-	-	**(1,506,889)**
School food service	1,107,039	149,406	1,639,832	-	**682,199**
	$ 60,949,767	$ 249,096	$ 6,440,047	$ 333,376	**(53,927,248)**
General revenues					
Real property taxes					**36,356,097**
Sales tax					**4,380,817**
Miscellaneous					**521,387**
State aid					**21,802,905**
Total general revenues					**63,061,206**
Change in net position					**9,133,958**
Net position - beginning					**22,557,046**
Cumulative effect of a change in accounting principle (Note 2)					**106,141**
Net position - beginning as restated					**22,663,187**
Net position - ending					**$ 31,797,145**

See accompanying notes.

GRAND ISLAND CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets						
Cash	$ 11,840,100	$ 275,511	$ 585,903	$ 1,788	$ 236,787	**$ 12,940,089**
Due from other governments	1,393,593	-	-	-	-	**1,393,593**
Accounts receivable	41,157	-	-	-	-	**41,157**
State and federal aid receivable	1,759,862	2,021,411	-	321,087	-	**4,102,360**
Due from other funds, net	3,154,514	-	-	-	-	**3,154,514**
Inventory	-	-	-	45,676	-	**45,676**
Total assets	$ 18,189,226	$ 2,296,922	$ 585,903	$ 368,551	$ 236,787	**$ 21,677,389**
Liabilities and Fund Balances						
Accounts payable	$ 818,675	$ 47,900	$ 75,628	$ 10,961	$ -	**$ 953,164**
Accrued liabilities	497,926	-	-	-	-	**497,926**
Due to retirement systems	2,838,348	-	-	-	-	**2,838,348**
Due to other funds, net	-	2,249,022	462,878	442,614	-	**3,154,514**
Total liabilities	4,154,949	2,296,922	538,506	453,575	-	**7,443,952**
Fund Balances						
Nonspendable	-	-	-	45,676	-	**45,676**
Restricted	6,976,976	-	47,397	-	236,787	**7,261,160**
Assigned	5,951,084	-	-	-	-	**5,951,084**
Unassigned	1,106,217	-	-	(130,700)	-	**975,517**
Total fund balances (deficit)	14,034,277	-	47,397	(85,024)	236,787	**14,233,437**
Total liabilities and fund balances	$ 18,189,226	$ 2,296,922	$ 585,903	$ 368,551	$ 236,787	**$ 21,677,389**

See accompanying notes.

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

June 30, 2022

Total fund balances - governmental funds		$ 14,233,437
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.		84,338,129
The District's proportionate share of net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Net pension asset	25,884,627	
Deferred outflows of resources related to pensions	17,101,646	
Deferred inflows of resources related to pensions	(32,301,377)	10,684,896
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Deferred outflows of resources related to OPEB	459,040	
Total OPEB liability	(6,387,192)	
Deferred inflows of resources related to OPEB	(736,206)	(6,664,358)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Leases	(454,768)	
Bonds and related premiums	(55,087,191)	
Accrued interest	(632,000)	
Compensated absences	(14,621,000)	(70,794,959)
Net position - governmental activities		$ 31,797,145

See accompanying notes.

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

For the year ended June 30, 2022

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues						
Real property taxes	$ 33,141,869	$ -	$ -	$ -	$ -	**$ 33,141,869**
Real property tax items	3,214,228	-	-	-	-	**3,214,228**
Nonproperty taxes	4,380,817	-	-	-	-	**4,380,817**
Charges for services	88,861	-	-	-	-	**88,861**
Use of money and property	16,639	-	275	11	1,012	**17,937**
Sale of property and compensation for loss	60,648	-	-	-	-	**60,648**
Miscellaneous	349,579	-	5,293	1,761	112,651	**469,284**
State sources	21,802,905	485,060	333,376	23,942	-	**22,645,283**
Federal sources	673,115	3,642,040	-	1,614,118	-	**5,929,273**
Sales	-	-	-	149,406	-	**149,406**
Total revenues	63,728,661	4,127,100	338,944	1,789,238	113,663	**70,097,606**
Expenditures						
General support	6,373,356	-	-	402,076	50,062	**6,825,494**
Instruction	31,045,718	3,417,926	-	-	-	**34,463,644**
Pupil transportation	2,610,776	122,379	646,501	-	-	**3,379,656**
Community service	447	-	-	-	-	**447**
Employee benefits	15,335,601	646,795	-	107,959	-	**16,090,355**
Debt service						
Principal	4,875,573	-	-	-	-	**4,875,573**
Interest	1,858,901	-	-	-	-	**1,858,901**
Cost of sales	-	-	-	582,155	-	**582,155**
Capital outlay	-	-	2,371,565	2,665	-	**2,374,230**
Total expenditures	62,100,372	4,187,100	3,018,066	1,094,855	50,062	**70,450,455**
Excess revenues (expenditures)	1,628,289	(60,000)	(2,679,122)	694,383	63,601	**(352,849)**
Other financing sources (uses)						
BANS redeemed from appropriations	-	-	1,129,738	-	-	**1,129,738**
Proceeds from issuance of debt and related premiums	-	-	17,780,000	-	-	**17,780,000**
Lease proceeds	-	-	203,334	-	-	**203,334**
Operating transfers, net	2,751,330	60,000	(2,881,330)	70,000	-	**-**
Total other financing sources (uses)	2,751,330	60,000	16,231,742	70,000	-	**19,113,072**
Net change in fund balances	4,379,619	-	13,552,620	764,383	63,601	**18,760,223**
Fund balances (deficit) - beginning	9,654,658	-	(13,505,223)	(849,407)	173,186	**(4,526,786)**
Fund balances (deficit) - ending	$ 14,034,277	$ -	$ 47,397	$ (85,024)	$ 236,787	**$ 14,233,437**

See accompanying notes.

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, 2022

Total net change in fund balances - governmental funds		$ 18,760,223
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 and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals.		146,362
Pension 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. These differences are:		
2022 TRS and ERS contributions	3,476,226	
2022 ERS accrued contribution	192,857	
2021 ERS accrued contribution	(264,338)	
2022 TRS pension income	1,430,347	
2022 ERS pension expense	(194,625)	4,640,467
Debt proceeds are recorded as other financing sources in the governmental funds but increase long-term liabilities in the statement of net position.		(17,983,334)
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.		(752,607)
Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position.		3,745,835
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	605,012	
Compensated absences	225,000	
Interest	(253,000)	577,012
Change in net position - governmental activities		$ 9,133,958

See accompanying notes.

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

For the year ended June 30, 2022

	Budgeted Amounts		Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
	Original	Final			
Revenues					
Local sources					
Real property taxes	$ 32,827,680	$ 32,827,680	**$ 33,141,869**		$ 314,189
Real property tax items	3,486,382	3,486,382	**3,214,228**		(272,154)
Nonproperty taxes	3,010,799	3,010,799	**4,380,817**		1,370,018
Charges for services	181,500	181,500	**88,861**		(92,639)
Use of money and property	67,300	67,300	**16,639**		(50,661)
Sale of property and compensation for loss	11,000	11,000	**60,648**		49,648
Miscellaneous	266,500	266,500	**349,579**		83,079
State sources	22,341,036	22,341,036	**21,802,905**		(538,131)
Federal sources	316,000	316,000	**673,115**		357,115
Total revenues	62,508,197	62,508,197	**63,728,661**		1,220,464
Expenditures					
General support					
Board of education	56,654	56,654	**44,365**	-	(12,289)
Central administration	255,833	255,833	**252,037**	-	(3,796)
Finance	641,962	628,912	**533,498**	11,914	(83,500)
Staff	351,479	375,539	**374,030**	2,660	1,151
Central services	4,920,002	4,908,328	**4,233,296**	255,452	(419,580)
Special items	1,019,681	1,026,731	**936,130**	-	(90,601)
Instruction					
Instruction, administration, and improvement	1,819,222	1,815,750	**1,618,534**	58,242	(138,974)
Teaching - regular school	17,955,063	17,830,344	**16,929,045**	172,294	(729,005)
Programs for children with handicapping conditions	6,954,412	6,937,940	**6,519,900**	120,140	(297,900)
Occupational education	1,547,617	1,616,898	**1,640,155**	7,890	31,147
Teaching - special schools	180,429	185,429	**78,584**	-	(106,845)
Instructional media	1,978,893	1,978,277	**1,505,589**	24,855	(447,833)
Pupil services	2,957,000	2,983,612	**2,753,911**	88,714	(140,987)
Pupil transportation	2,822,565	2,860,565	**2,610,776**	271,125	21,336
Community service	17,045	17,045	**447**	-	(16,598)
Employee benefits	16,908,738	16,908,738	**15,335,601**	2,954	(1,570,183)
Debt service					
Principal	4,706,738	4,706,738	**4,875,573**	-	168,835
Interest	1,858,681	1,858,681	**1,858,901**	-	220
Total expenditures	66,952,014	66,952,014	**62,100,372**	1,016,240	(3,835,402)
Excess revenues (expenditures)	(4,443,817)	(4,443,817)	**1,628,289**	(1,016,240)	5,055,866
Other financing sources (uses)					
Operating transfers in	2,660,010	2,660,010	**2,974,670**		314,660
Operating transfers out	(230,000)	(230,000)	**(223,340)**		(6,660)
Appropriated fund balance and carryover encumbrances	2,013,807	2,013,807	**-**		(2,013,807)
Total other financing sources (uses)	4,443,817	4,443,817	**2,751,330**		(1,692,487)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	**$ 4,379,619**	$ (1,016,240)	$ 3,363,379

See accompanying notes.

GRAND ISLAND CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2022

Assets	
Cash	**$ 133,977**
Liabilities	
Due to other governments	**694**
Net Position	
Extraclassroom activity balances	**$ 133,283**

* * *

GRAND ISLAND CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2022

Additions	
Student activity additions	**$ 254,707**
Deductions	
Student activity deductions	**228,681**
Change in net position	**26,026**
Net position - beginning	**107,257**
Net position - ending	**$ 133,283**

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Grand Island 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 19 participating school districts in the Erie 1 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, 2022, the District was billed $4,224,000 for BOCES administrative and program costs and recognized revenue of $265,000 as a refund from prior year expenditures paid to BOCES. Audited financial statements are available from BOCES' administrative offices.

Public Entity Risk Pools

The District participates in the NY44 Health Benefits Plan Trust which is a public entity risk pool. The plan is designed to provide health insurance coverage for participating entities. This activity is further discussed in Note 11.

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) capital grants and contributions limited to the purchase or construction of specific capital assets, if any. 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.
- *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.

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

- *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.
- *Food service 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.
- *Miscellaneous special revenue fund*. This fund is used to account for resources that are restricted to student scholarships. Donations are made by third parties and District personnel manage the funds and assist with determination of scholarship recipients.

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 purpose 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.

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 and sales 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 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, 2022, the tax lien was issued on August 30, 2021 for collection from September 1 through December 1, 2021. Thereafter, uncollected amounts became the responsibility of Erie 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, 2021 was approved by a majority of the voters in a general election held on May 18, 2021.

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 through budget appropriations.

Inventory

Inventory consists of food and similar goods related to food service 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 appraisals. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are 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
Land improvements	$ 500	20
Buildings and improvements	$ 500	30 - 50
Furniture and equipment	$ 500	5 - 20
Vehicles	$ 500	8

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 of the District's defined benefit healthcare plan (Note 10) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with benefit terms.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and 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. Sick pay is accrued on the basis of negotiated contracts with administrators and employee groups which provide for the payment of accumulated sick time at retirement or the option of converting this vested amount to provide for payment of health insurance until exhausted.

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

Equity Classifications

Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any related debt obligations that are 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.

Fund balance is categorized as follows:

Nonspendable:		
Inventory	$	45,676
Restricted:		
Capital		47,397
Debt service		3,828,271
Employee benefit accrued liability		1,432,628
Retirement contribution		1,431,157
Unemployment insurance		223,726
Tax certiorari		61,194
Scholarships		236,787
Assigned:		
Designated for subsequent years		4,934,844
Encumbrances		1,016,240
Unassigned		975,517
	$	14,233,437

Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash.

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.

Fund balance restrictions include 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 the establishment of the reserve and payments from the reserve. In 2008, the District voters approved a capital reserve that can be funded up to $10,000,000. To date, $8,629,000 of this reserve has been funded.
- *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 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.
- *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.
- *Retirement contribution* – is used to finance retirement contributions payable to ERS.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *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.

Restricted fund balance also includes scholarships donated to the District by third parties for the benefit of students.

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.

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, 2021, the District adopted GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The impact of these required accounting changes on the District's government-wide activity is as follows:

Net position, July 1, 2021	$ 22,557,046
Right-to-use lease asset	746,268
Accumulated amortization	(213,818)
Lease liability	(426,309)
Net position, as restated, July 1, 2021	$ 22,663,187

3. Stewardship and Compliance

The food service fund balance reflects a deficit of $85,024 as of June 30, 2022.

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, 2022, the District's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' agents in the District's name.

5. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
General	$ 19,652,672	$ 16,498,158	$ 2,974,670	$ 223,340
Special aid	4,924,771	7,173,793	60,000	-
Capital projects	2,164,057	2,626,935	93,340	2,974,670
Food service	3,198,674	3,641,288	70,000	-
	$ 29,940,174	$ 29,940,174	$ 3,198,010	$ 3,198,010

The general fund provides cash flow to various other funds; these amounts will be repaid 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 food service fund to pay for a portion of its deficit, to the special aid fund to cover costs related to the summer school handicap program, and to the capital projects fund for ongoing capital improvement projects. The capital project fund made permanent transfers to the general fund to close out balances of completed capital projects.

6. Capital Assets

	July 1, 2021 (As Restated)	Increases	Retirements/ Reclassifications	June 30, 2022
Non-depreciable and non-amortizable capital assets:				
Land	$ 152,746	$ -	$ -	$ 152,746
Construction in progress	18,398,706	2,168,231	(20,566,937)	-
Total non-depreciable and non-amortizable assets	18,551,452	2,168,231	(20,566,937)	152,746
Depreciable capital assets:				
Land improvements	3,446,300	-	82,992	3,529,292
Buildings and improvements	93,641,164	21,630	20,609,469	114,272,263
Furniture and equipment	7,347,596	227,443	(818,345)	6,756,694
Vehicles	7,609,994	696,081	124,754	8,430,829
Total depreciable assets	112,045,054	945,154	19,998,870	132,989,078
Less accumulated depreciation:				
Land improvements	1,635,365	117,257	336,206	2,088,828
Buildings and improvements	37,162,497	1,773,380	(4,124,352)	34,811,525
Furniture and equipment	3,172,978	516,023	2,852,471	6,541,472
Vehicles	4,966,349	599,836	381,489	5,947,674
Total accumulated depreciation	46,937,189	3,006,496	(554,186)	49,389,499
Total depreciable assets, net	65,107,865	(2,061,342)	20,553,056	83,599,579
Right-to-use lease assets:				
Equipment	746,268	203,334	-	949,602
Less accumulated amortization	213,818	149,980	-	363,798
Total right-to-use assets, net	532,450	53,354	-	585,804
	$ 84,191,767	$ 160,243	$ (13,881)	$ 84,338,129

Depreciation and amortization expense has been allocated to the following functions: general support $282,407, instruction $2,648,010, pupil transportation $188,554, and food service $37,505.

As of June 30, 2022, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	$ 84,338,129
Lease liability	(454,768)
Bonds and related premiums	(55,087,191)
	$ 28,796,170

7. Short-Term Debt

There were no bond anticipation notes (BANs) outstanding at June 30, 2022. BANs outstanding at June 30, 2021 amounted to $18,199,738 and carried interest at 1.5%. In August 2021, the District issued $14,575,000 in serial bonds with premiums of $2,495,000, as well as an additional $1,129,738 from appropriations to redeem outstanding BANs.

8. Long-Term Liabilities

	July 1, 2021 (As Restated)	Increases	Decreases	June 30, 2022	Amount Due in One Year
Leases	$ 426,309	$ 203,334	$ 174,875	$ 454,768	$ 153,212
Bonds	36,882,655	15,285,000	3,570,960	48,596,695	4,238,694
Bond premiums	4,600,508	2,495,000	605,012	6,490,496	-
Compensated absences	14,846,000	-	225,000	14,621,000	1,979,000
	$ 56,755,472	$ 17,983,334	$ 4,575,847	$ 70,162,959	$ 6,370,906

Existing Obligations

Description	Maturity	Rate	Balance
2008 bond	August 2023	3.38%-4.10%	$ 510,000
2017 bond	December 2031	3.0%-5.0%	31,450,000
2018 bond	June 2023	3.21%	132,695
2019 bond	May 2024	2.76%	260,000
2020 bond	June 2025	1.99%	411,000
2021 bond	June 2026	1.55%	548,000
2022 bond	August 2035	2.0%-5.0%	14,575,000
2022 bus bond	March 2027	2.49%	710,000
Equipment lease - 2018	June 2023	2.52%-3.01%	18,202
Equipment lease - 2019	June 2024	2.15%-2.91%	53,684
Equipment lease - 2020	June 2025	1.26%-1.91%	188,777
Equipment lease - 2022	June 2027	4.01%	194,105
			$ 49,051,463

Debt Service Requirements

	Bonds		Leases	
Years ending June 30,	Principal	Interest	Principal	Interest
2023	$ 4,238,694	$ 2,267,328	$ 153,212	$ 10,543
2024	4,566,000	1,791,684	135,387	7,060
2025	4,366,000	1,581,630	90,330	4,255
2026	4,434,000	1,370,621	42,685	2,262
2027	4,507,000	1,151,961	33,154	556
2028-2032	21,360,000	2,601,000	-	-
2033-2036	5,125,001	233,350	-	-
	$ 48,596,695	$ 10,997,574	$ 454,768	$ 24,676

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 9.80% for 2022. 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 2022, these rates ranged from 10.7%-23.1%.

The amount outstanding and payable to TRS for the year ended June 30, 2022 was $2,489,602. A liability to ERS of $192,857 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2022.

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

At June 30, 2022, the District reported an asset of $24,416,105 for its proportionate share of the TRS net pension position and an asset of $1,468,522 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures applied to roll forward the total pension liability to June 30, 2021. 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, 2021, the District's proportion was 0.140897%, a decrease of 0.000071 from its proportion measured as of June 30, 2020.

The ERS total pension liability at the March 31, 2022 measurement date was determined by an actuarial valuation as of April 1, 2021, with update procedures applied to roll forward the total pension liability to March 31, 2022. 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 March 31, 2022, the District's proportion was 0.0179645%, a decrease of 0.000001 from its proportion measured as of March 31, 2021.

For the year ended June 30, 2022, the District recognized pension income of $1,235,722 on the government-wide statements (TRS income of $1,430,347 and ERS expense of $194,625). At June 30, 2022, 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	$ 3,365,501	$ (126,852)	$ 111,213	$ (144,250)
Changes of assumptions	8,030,966	(1,422,166)	2,450,798	(41,355)
Net difference between projected and actual earnings on pension plan investments	-	(25,553,980)	-	(4,808,794)
Changes in proportion and differences between contributions and proportionate share of contributions	100,318	(115,101)	360,391	(88,879)
District contributions subsequent to the measurement date	2,489,602	-	192,857	-
	$ 13,986,387	$ (27,218,099)	$ 3,115,259	$ (5,083,278)

District contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. 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
2023	$ (3,181,150)	$ (280,116)
2024	(3,707,539)	(466,462)
2025	(4,657,588)	(1,187,323)
2026	(6,142,075)	(226,975)
2027	1,153,995	-
Thereafter	813,043	-
	$ (15,721,314)	$ (2,160,876)

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2020 valuation, with update procedures used to roll forward the total pension liability to June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.4%
Salary increases – Based on TRS member experience, dependent on service, ranging from 1.95%-5.18%
Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually
Investment rate of return – 6.95% 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-2020, applied on a generational basis
Discount rate – 6.95%

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, 2021 valuation, with update procedures used to roll forward the total pension liability to March 31, 2022, 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:

	TRS		ERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.8%	32%	3.3%
Global and international equities	20%	7.1%-7.6%	15%	5.9%
Private equities	8%	10.0%	10%	6.5%
Real estate	11%	6.5%	9%	5.0%
Domestic fixed income securities	16%	1.3%	23%	-
Global fixed income securities	2%	0.8%	-	-
Bonds and mortgages	7%	3.3%	-	-
Short-term	1%	(0.2)%	1%	(1.0)%
Other	2%	3.8%-5.9%	10%	3.8%-5.8%
	100%		100%	

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 6.95% (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)	$ 2,562,114	$ 24,416,105	$ 42,782,799
District's proportionate share of the ERS net pension asset (liability)	$ (3,779,959)	$ 1,468,522	$ 5,858,623

10. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical, dental, and vision insurance benefits for certain District employees and their spouses based on various bargaining unit agreements and individual contracts. Eligibility for benefits is based on covered employees who retire from the District at age 55 or older and have met vesting requirements. Retirees are provided with health insurance at different cost percentages depending on their retirement date and bargaining unit. The District principally provides a fixed per annum contribution towards insurance for those employee groups covered. The Plan has no assets, does not issue financial statements, and is not a trust.

At March 22, 2021, employees covered by the Plan include:

Active employees	532
Inactive employees or beneficiaries currently receiving benefits	163
Inactive employees entitled to but not yet receiving benefits	-
	695

Total OPEB Liability

The District's total OPEB liability of $6,387,192 was measured as of March 31, 2022 and was determined by an actuarial valuation as of March 22, 2021, with update procedures to roll forward the total OPEB liability to June 30, 2022.

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 v2022 version f4 (updated October 2021) for long-term rates, initially 6.10%, with an ultimate rate of 4.37% after 2070
Salary increases – 3.44%
Mortality – Pub-2010 Public Retirement Plans Mortality Tables, headcount weighted, without separate contingent survivor mortality, fully generational using Scale MP-2021
Discount rate – 2.83% based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.44%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	$ 6,886,507
Changes for the year:	
Service cost	336,026
Interest	158,288
Changes of benefit terms	(21,355)
Differences between expected and actual experience	(336,155)
Changes of assumptions or other inputs	(386,608)
Benefit payments	(249,511)
Net changes	(499,315)
Balance at June 30, 2022	$ 6,387,192

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 (1.83%)	Discount Rate (2.83%)	1.0% Increase (3.83%)
Total OPEB liability	$ (6,923,349)	$ (6,387,192)	$ (5,898,061)

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 (5.10% to 3.37%)	Healthcare Cost Trend Rate (6.10% to 4.37%)	1.0% Increase (7.10% to 5.37%)
Total OPEB liability	$ (5,686,111)	$ (6,387,192)	$ (7,218,270)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2022, the District recognized OPEB expense of $1,002,118. At June 30, 2022, 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	$ 202,640	$ (454,087)
Changes of assumptions or other inputs	256,400	(282,119)
	$ 459,040	$ (736,206)

The net 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,	
2023	$ (80,449)
2024	(178,448)
2025	(94,426)
2026	42,311
2027	33,846
	$ (277,166)

11. Risk Management

General Liability

The District purchases commercial insurance for various 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.

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan) for certain collective bargaining units. The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 24 participating members as of June 30, 2021 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2021, which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York 14224.

The District maintains a self-funded health insurance plan for certain collective bargaining units. The District provides a monthly premium equivalent equal to adjusted actual claims and an excess amount to fund an approximate 20% allowance for claims run-off and other uncertainties. The District purchases excess insurance that limits their self-funded exposure to $150,000 per incident.

Claims activity for the plan is as follows:

	Beginning of Year	Current Claims and Changes in Estimates	Claims Paid	End of Year
2022	$ 363,000	$ 8,596,000	$ 8,527,000	$ 432,000
2021	$ 251,000	$ 7,386,000	$ 7,274,000	$ 363,000

The estimated liability has been accrued on the government-wide and governmental funds financial statements as it is expected to be paid with currently available financial resources.

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.

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 have required the District 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 continue to depend on further developments, including the duration and spread of the outbreak and its impact on school districts, including its residents, employees, and vendors, none of which can be predicted.

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,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.140897%	0.140968%	0.140246%	0.142168%	0.141555%	0.140340%	0.137018%	0.139025%	0.136296%
District's proportionate share of the net pension asset (liability)	$ 24,416,105	$ (3,895,325)	$ 3,643,593	$ 2,570,774	$ 1,075,957	$ (1,503,095)	$ 14,231,761	$ 15,486,556	$ 897,174
District's covered payroll	$ 23,914,743	$ 23,816,727	$ 23,217,674	$ 23,333,337	$ 22,275,870	$ 21,655,468	$ 20,581,900	$ 20,536,209	$ 19,964,426
District's proportionate share of the net pension position as a percentage of its covered payroll	102.10%	16.36%	15.69%	11.02%	4.83%	6.94%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	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	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.92%	4.0%-10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

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

For the years ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 2,489,602	$ 2,279,075	$ 2,110,162	$ 2,465,717	$ 2,286,667	$ 2,610,732	$ 2,871,515	$ 3,607,866	$ 3,337,134	$ 2,363,788
Contribution in relation to the contractually required contribution	(2,489,602)	(2,279,075)	(2,110,162)	(2,465,717)	(2,286,667)	(2,610,732)	(2,871,515)	(3,607,866)	(3,337,134)	(2,363,788)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 25,404,102	$ 23,914,743	$ 23,816,727	$ 23,217,674	$ 23,333,337	$ 22,275,870	$ 21,655,468	$ 20,581,900	$ 20,536,209	$ 19,964,426
Contributions as a percentage of covered payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

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,	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0179645%	0.0179655%	0.0183682%	0.0204885%	0.0213092%	0.0209045%	0.021361%	0.020798%
District's proportionate share of the net pension asset (liability)	$ 1,468,522	$ (17,889)	$ (4,864,011)	$ (1,451,670)	$ (687,742)	$ (1,964,235)	$ (3,428,496)	$ (702,621)
District's covered payroll	$ 6,541,175	$ 6,768,077	$ 6,543,005	$ 6,584,111	$ 6,765,626	$ 6,306,994	$ 6,329,519	$ 6,185,341
District's proportionate share of the net pension position as a percentage of its covered payroll	22.45%	0.26%	74.34%	22.05%	10.17%	31.14%	54.17%	11.36%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	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%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

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

For the years ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 986,624	$ 931,898	$ 909,620	$ 920,564	$ 993,655	$ 940,676	$ 1,158,683	$ 1,138,001	$ 1,276,662	$ 1,124,884
Contribution in relation to the contractually required contribution	(986,624)	(931,898)	(909,620)	(920,564)	(993,655)	(940,676)	(1,158,683)	(1,138,001)	(1,276,662)	(1,124,884)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,541,175	$ 6,768,077	$ 6,543,005	$ 6,584,111	$ 6,765,626	$ 6,306,994	$ 6,329,519	$ 6,185,341	$ 6,169,985	$ 6,046,960
Contributions as a percentage of covered payroll	15.08%	13.77%	13.90%	13.98%	14.69%	14.91%	18.31%	18.40%	20.69%	18.60%

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

June 30,	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	$ 6,886,507	$ 6,805,403	$ 5,998,232	$ 3,197,110	$ 3,252,592	$ 2,801,293
Changes for the year:						
Service cost	336,026	347,483	301,993	151,116	153,717	139,477
Interest	158,288	169,900	208,377	112,607	119,836	90,618
Changes of benefit terms	(21,355)	133	22,323	-	-	-
Differences between expected and actual experience	(336,155)	(454,415)	30,815	2,768,950	(79,304)	441,348
Changes of assumptions or other inputs	(386,608)	320,071	486,418	(2,619)	2,999	15,608
Benefit payments	(249,511)	(302,068)	(242,755)	(228,932)	(252,730)	(235,752)
Net change in total OPEB liability	(499,315)	81,104	807,171	2,801,122	(55,482)	451,299
Total OPEB liability - ending	$ 6,387,192	$ 6,886,507	$ 6,805,403	$ 5,998,232	$ 3,197,110	$ 3,252,592
Covered-employee payroll	$ 30,294,340	$ 29,286,872	$ 28,365,559	$ 28,365,559	$ 27,456,741	$ 27,456,741
Total OPEB liability as a percentage of covered-employee payroll	21.1%	23.5%	24.0%	21.1%	11.6%	11.8%

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

Annual differences between expected and actual experience are due to changes in healthcare trend rates.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	6.10% - 4.37%	4.00% - 4.08%	5.20% - 4.18%	5.20% - 4.32%	6.20% - 4.17%	5.30% - 4.17%
Inflation	2.44%	2.11%	2.22%	2.36%	2.20%	2.31%
Salary increases	3.44%	3.11%	3.22%	3.36%	3.31%	3.31%
Discount rate	2.83%	2.27%	2.48%	3.44%	3.61%	3.80%
Society of Actuaries' mortality scale	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2016

Data prior to 2017 is unavailable.

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, 2022

Original expenditure budget	$ 67,118,207
Encumbrances carried over from prior year	63,807
Revised expenditure budget	$ 67,182,014

* * *

Unrestricted Fund Balance

Assigned	$ 5,951,084
Unassigned	1,106,217
	7,057,301
Encumbrances included in assigned fund balance	(1,016,240)
Appropriated fund balance used for tax levy	(4,934,844)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 1,106,217

§1318 of Real Property Tax Law - unrestricted fund balance limit calculation

2023 expenditure budget (unaudited)	$ 70,206,668
4% of budget	2,808,267
Actual percentage of 2023 expenditure budget	1.6%

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2022

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
2020 Capital Project	$ 24,149,626	$ 24,197,626	$ 18,551,481	$ 2,074,891	$ 20,626,372	$ 3,571,254
Capital outlay 2021-2022	100,000	93,340	-	93,340	93,340	-
Smart Schools Bond Act	1,629,396	1,629,396	768,626	-	768,626	860,770
	$ 25,879,022	$ 25,920,362	$ 19,320,107	$ 2,168,231	$ 21,488,338	$ 4,432,024

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures	
U.S. Department of Education:				
Passed Through New York State Education Department				
Special Education Cluster:				
Special Education Grants to States	84.027	0032-22-0227	$ 719,547	
Special Education Preschool Grants	84.173	0033-22-0227	18,470	
Total Special Education Cluster			738,017	
Title I Grants to Local Educational Agencies	84.010	0021-22-0795	303,770	
Title I Grants to Local Educational Agencies	84.010	0021-21-0795	18,296	
Supporting Effective Instruction State Grants	84.367	0147-21-0795	66,871	
Supporting Effective Instruction State Grants	84.367	0147-22-0795	42,463	
Student Support and Academic Enrichment Program	84.424	0204-22-0795	4,633	
Student Support and Academic Enrichment Program	84.424	0204-21-0795	40,525	
Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	5895-21-0795	37,173	[1]
Governor's Emergency Education Relief Fund	84.425C	5896-21-0795	212,823	[1]
Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-0795	6,314	[1]
Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-0795	718,950	[1]
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0795	825,667	[1]
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5870-22-9106	366,440	[1]
Total U.S. Department of Education			3,381,942	
Federal Communications Commission:				
Emergency Connectivity Fund Program	32.009	N/A	303,585	
U.S. Department of Homeland Security:				
Passed Through New York State Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance	97.036	333428	23,300	
Disaster Grants - Public Assistance	97.036	166270	11,597	
Disaster Grants - Public Assistance	97.036	148540	287,054	
Total U.S. Department of Homeland Security			321,951	
U.S. Department of Agriculture:				
Passed Through New York State Education Department				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	174,124	[2]
National School Lunch Program	10.555	N/A	1,363,342	[2]
Pandemic EBT Administrative Costs	10.649	N/A	3,606	
Passed Through New York State Office of General Services				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	73,046	[2]
Total U.S. Department of Agriculture			1,614,118	
Total Expenditures of Federal Awards			$ 5,621,596	

[1] *Total Education Stabilization Fund - $2,167,367*

[2] *Total Child Nutrition Cluster - $1,610,512*

See accompanying notes.

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 Grand Island 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 introduced 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, 2022, the District used $73,046 worth of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

Lumsden McCormick LLP
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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
Grand Island 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 Grand Island Central School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lyman & McCormick, LLP

October 11, 2022

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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
Grand Island Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Lumsden & McCormick, LLP

October 11, 2022

Schedule of Findings and Questioned Costs

For the year ended June 30, 2022

Section I. Summary of Auditors' Results

Financial 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	Assistance Listing Number	Amount
Education Stabilization Fund	84.425	$ 2,167,367

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.