

ORISKANY CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2022

**ORISKANY CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3-11
BASIC FINANCIAL STATEMENTS	
District-wide Financial Statements	
• Statement of Net Position	12
• Statement of Activities	13
Fund Financial Statements	
• Balance Sheet – Governmental Funds	14
• Reconciliation of the Governmental Fund Balances to the District-Wide Net Position	15
• Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds	16
• Reconciliation of the Statement of Revenues and Expenditures of the Governmental Funds to the Statement of Activities	17
Fiduciary Fund Financial Statements	
• Statement of Fiduciary Net Position	18
• Statement of Changes in Fiduciary Net Position	19
Notes to Basic Financial Statements	20-43
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT’S DISCUSSION AND ANALYSIS	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	44
Schedule of Changes in the District’s Total OPEB Liability and Related Ratios	45
Schedule of District Contributions	46
Schedule of District’s Proportionate Share of the Net Pension Asset/Liability	47
OTHER SUPPLEMENTARY INFORMATION	
Schedules of Change from Adopted Budget to Final Budget and Real Property Tax Limit	48
Schedule of Project Expenditures – Capital Projects Fund	49
Net Investment in Capital Assets	50
SINGLE AUDIT REPORTS AND SCHEDULES	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Governmental Auditing Standards	51
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	52-53
Schedule of Expenditures of Federal Awards	54
Notes to Schedule of Expenditures of Federal Awards	55
Schedule of Findings and Questioned Costs – Federal Compliance Requirements	56-57
Status of Prior Year’s Findings and Questioned Costs – Federal Compliance Requirements	58

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Independent Auditor's Report

Board of Education
Oriskany Central School District

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oriskany Central School District, as of June 30, 2022, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

New Accounting Standard

As discussed in Notes 1 and 15 to the financial statements, the School District changed its accounting policies related to the accounting and reporting of leases by adopting the Governmental Accounting Standards Board's (GASB) Statement No. 87, *Leases*. The new pronouncement changes the criteria used, and provides guidance on accounting and reporting for leases. Our opinion is not modified with respect to this matter.

Prior Period Adjustment

As discussed in Note 15 to the financial statements, a prior period adjustment with a net effect on net position of \$739,069 was made to reclassify prior year activity from Miscellaneous Special Revenue Fund and Custodial Fund and also to correct an error in the district's proportionate share of the net pension liability for the Teachers' Retirement System in accordance with Governmental Accounting Standards Board's (GASB) Statement No. 68.

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 Oriskany Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oriskany Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic 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 18, 2022, on our consideration of the Oriskany Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Oriskany Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oriskany Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 18, 2022

Rome, New York

**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

The Oriskany Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2022 and 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

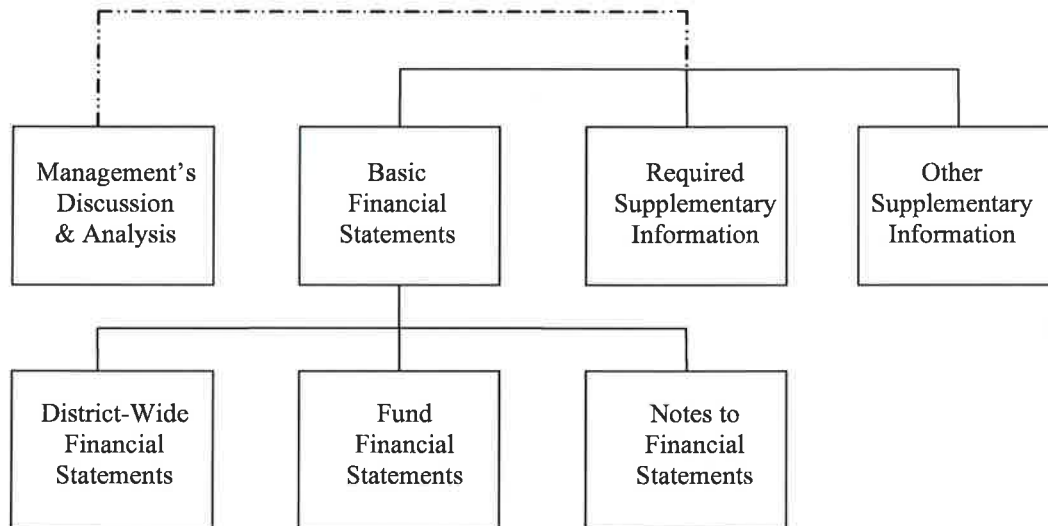
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022, are as follows:

- The District's total liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year by \$5,986,972 (total Net Position (Deficit)). This represents a decrease of \$423,195 from the prior year's Net Position.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$15,702,676. Of this amount, \$59,657 and \$1,306,625 was offset by program charges for services and operating grants. General revenues of \$14,759,589 amounts to 91.5% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 14 and 16, decreased by \$1,418,864 to \$7,452,996. This was due to excess of revenues over expenditures based on the modified accrual basis of accounting.
- State and federal revenue increased by \$6,485 to \$7,879,996. This is mainly due to increases in Basic State Aid during the current year.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



See Independent Auditor's Report.

**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

A. District-wide Financial Statements

The district-wide financial statements present the governmental activities of the School District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the School District's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the School District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains six individual governmental funds, general fund, school lunch fund, special aid fund, miscellaneous special revenue, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The School District's total net position increased \$423,195 between fiscal year 2022 and 2021. A summary of the School District's Statement of Net Position at June 30, 2022 and 2021 is as follows:

	2022	Restated 2021	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 17,043,391	\$ 11,119,302	\$ 5,924,089	53.3%
Capital Assets, (Net of Depreciation)	<u>14,832,783</u>	<u>15,277,217</u>	<u>(444,434)</u>	(2.9%)
Total Assets	<u>31,876,174</u>	<u>26,396,519</u>	<u>5,479,655</u>	20.8%
Deferred Outflows of Resources				
OPEB	4,446,732	5,629,801	(1,183,069)	(21.0%)
Pensions	<u>3,342,699</u>	<u>3,162,681</u>	<u>180,018</u>	5.7%
Total Deferred Outflows of Resources	<u>7,789,431</u>	<u>8,792,482</u>	<u>(1,003,051)</u>	(11.4%)
Total Assets and Deferred Outflows of Resources	<u>\$ 39,665,605</u>	<u>\$ 35,189,001</u>	<u>\$ 4,476,604</u>	12.7%
Current and Other Liabilities	\$ 977,221	\$ 1,564,838	\$ (587,617)	(37.6%)
Non-Current Liabilities	<u>29,824,319</u>	<u>35,238,753</u>	<u>(5,414,434)</u>	(15.4%)
Total Liabilities	<u>30,801,540</u>	<u>36,803,591</u>	<u>(6,002,051)</u>	(16.3%)
Deferred Inflows of Resources				
OPEB	8,597,441	3,679,872	4,917,569	133.6%
Pensions	<u>6,253,596</u>	<u>1,115,705</u>	<u>5,137,891</u>	460.5%
Total Deferred Inflows of Resources	<u>14,851,037</u>	<u>4,795,577</u>	<u>10,055,460</u>	209.7%
Net Position				
Net Investment in Capital Assets	11,033,426	8,347,888	2,685,538	32.2%
Restricted	8,210,312	6,593,252	1,617,060	24.5%
Unrestricted (Deficit)	<u>(25,230,710)</u>	<u>(21,351,307)</u>	<u>(3,879,403)</u>	(18.2%)
Total Net Position (Deficit)	<u>(5,986,972)</u>	<u>(6,410,167)</u>	<u>423,195</u>	6.6%
Total Liabilities, Deferred Inflows, and Net Pension	<u>\$ 39,665,605</u>	<u>\$ 35,189,001</u>	<u>\$ 4,476,604</u>	

Current and other assets increased by \$5,924,089, as compared to the prior year primarily due to increases of \$986,207 in cash and cash equivalents and the net pension asset – proportionate share of the TRS and ERS systems converted to an asset from a liability in the prior year in the amount of \$5,088,243.

Capital assets decreased by \$444,434 as compared to the prior year. This decrease is mainly due to depreciation expense exceeding capital outlay additions during the year. Note 6 to the Financial Statements provides additional information.

Current liabilities decreased by \$587,617, as compared to the prior year. The primary reason for the decrease was a reclassification of bond payables and premiums offset by an increase in unearned revenue.

Non-current liabilities decreased by \$5,414,434, as compared to the prior year. This is primarily the result of a net decrease in OPEB total liability of \$4,959,739 and repayments on serial bonds in the amount of \$875,000.

The deferred outflows and inflows change resulted in a net decrease in net position of \$11,058,511. These financial statement elements mainly consist of actuarial determined adjustments to the District's proportionate share of the net pension asset or liability and the OPEB liability for items such as changes in assumptions and differences between actual and projected experience.

**ORISKANY CENTRAL SCHOOL DISTRICT -
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The restricted portion of net position at June 30, 2022, is comprised of amounts with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Note 1 to the Basic Financial Statements provides further descriptions and detailed balances.

The unrestricted (deficit) portion of net position in the amount of \$25,230,710 at June 30, 2022, which represents the amount by which the School District's liabilities and deferred inflows of resources, exceeded its assets and deferred outflows of resources (excluding capital assets net of related debt and restricted assets).

Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other real property tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows:

Revenues	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	\$ 59,657	\$ 267,242	\$ (207,585)	(77.7%)
Operating Grants	1,306,625	666,372	640,253	96.1%
General Revenues				
Property Taxes and STAR	6,515,080	6,333,492	181,588	2.9%
State and Federal Sources	7,879,996	7,873,511	6,485	0.1%
Other	<u>364,513</u>	<u>799,870</u>	<u>(435,357)</u>	(54.4%)
Total Revenues	<u>16,125,871</u>	<u>15,940,487</u>	<u>185,384</u>	1.2%
Expenses				
General Support	2,715,242	2,738,860	(23,618)	(0.9%)
Instruction	11,874,879	12,409,445	(534,566)	(4.3%)
Pupil Transportation	917,842	941,695	(23,853)	(2.5%)
Community Service	15,921	1,229	14,692	1195.4%
Capital Outlay		41,791	(41,791)	(100.0%)
Debt Service-Unallocated Interest	142,285	217,837	(75,552)	(34.7%)
Food Service Program	<u>36,507</u>	<u>32,489</u>	<u>4,018</u>	12.4%
Total Expenses	<u>15,702,676</u>	<u>16,383,346</u>	<u>(680,670)</u>	(4.2%)
Total Change in Net Position	<u>\$ 423,195</u>	<u>\$ (442,859)</u>	<u>\$ 866,054</u>	

The School District's revenues increased by 1.2% in 2022 or a net amount of \$185,384. The major components that contributed to the net increase were:

- Property taxes and STAR revenues increased by \$181,588.
- Other revenues decreased by \$435,357, primarily due to changes in the BOCES refund.

The School District's expenses for the year decreased by \$680,670 or 4.2%. The major factors that contributed to the overall decrease was the decrease in pension expense and other postemployment benefits expense, as discussed in Note 8 and Note 9 of the financial statements, as well as decreases in contractual obligations relating to salaries and benefits.

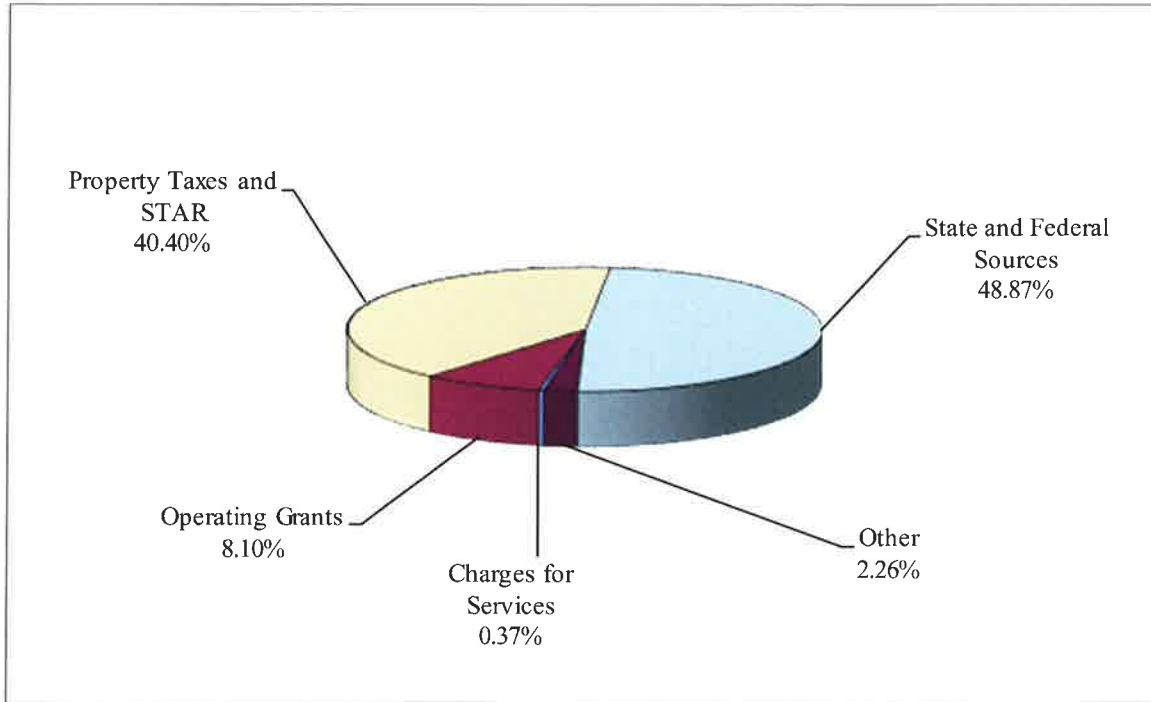
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ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

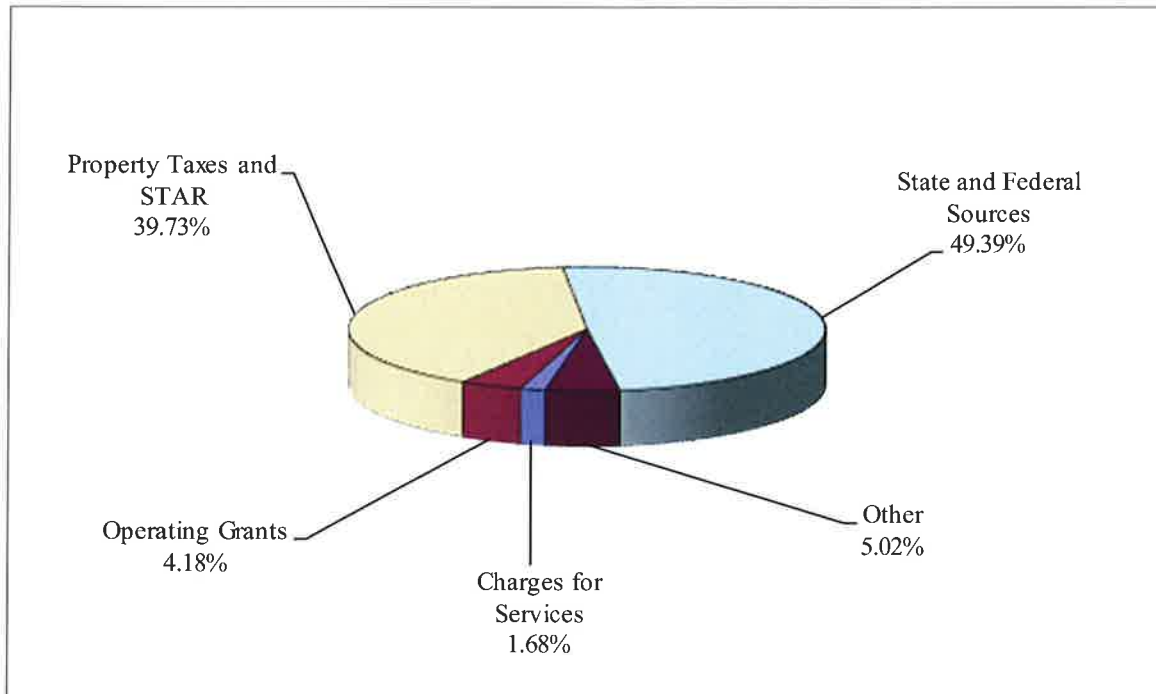
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A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2022



For the Year Ended June 30, 2021



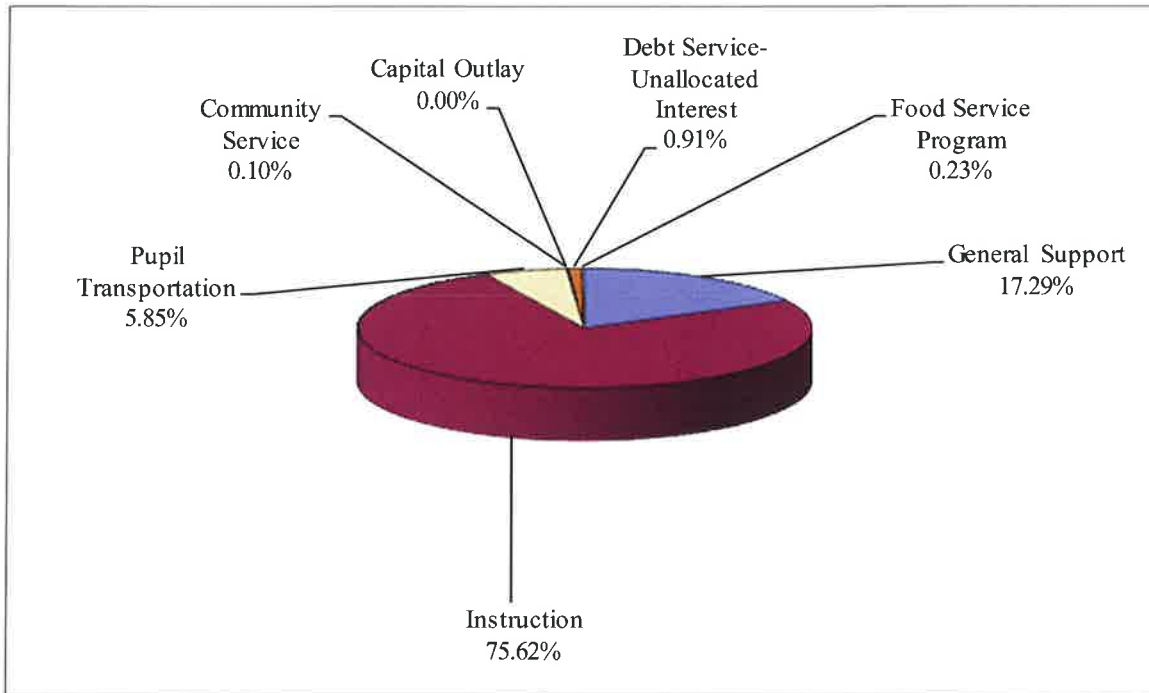
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**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

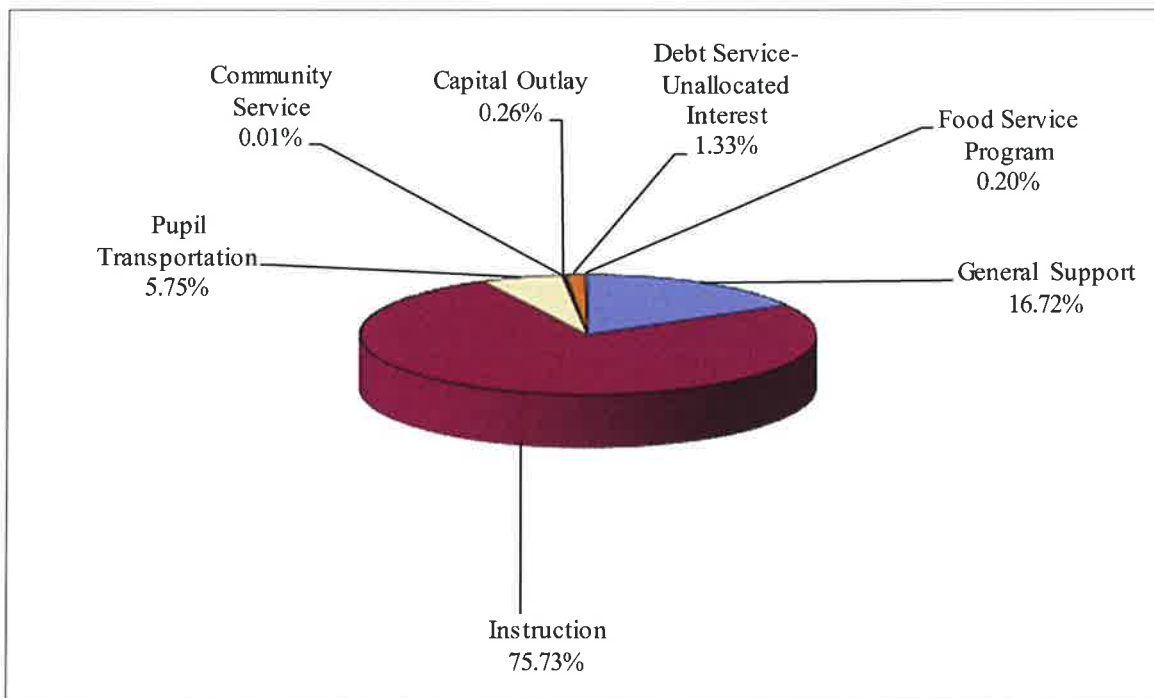
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A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2022



For the Year Ended June 30, 2021



See Independent Auditor's Report.

**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2022, the School District's governmental funds reported a combined fund balance of \$10,927,314, which is an increase of \$581,123 from the prior years combined fund balance of \$10,346,191. A summary of the change in fund balance by fund is as follows:

	2022	Restated 2021	Increase (Decrease)
General Fund			
Restricted			
Workers' Compensation	\$ 230,077	\$ 143,197	\$ 86,880
Unemployment Insurance	173,967	73,951	100,016
Retirement Contribution - ERS	858,380	858,211	169
Retirement Contribution - TRS	242,141	50,021	192,120
Property Loss	50,966	50,956	10
Liability	100,152	100,133	19
Insurance	821,900	821,739	161
Tax Certiorari	105,745	105,725	20
Employee Benefit Accrued Liability	550,194	550,086	108
Capital Reserve	1,312,260	2,637,102	(1,324,842)
Repairs	401,035	200,996	200,039
Total Restricted	4,846,817	5,592,117	(745,300)
Assigned			
Encumbrances	43,489	18,899	24,590
Designated for Subsequent Year's Expenditures	1,680,587	1,680,164	423
Total Assigned	1,724,076	1,699,063	25,013
Unassigned	882,103	1,580,680	(698,577)
Total General Fund	7,452,996	8,871,860	(1,418,864)
 School Lunch Fund			
Assigned	110,823	118,765	(7,942)
 Miscellaneous Special Revenue Fund			
Restricted	29,344	20,691	8,653
 Debt Service Fund			
Restricted	938,565	938,375	190
 Capital Projects Fund			
Restricted	2,395,586	396,500	1,999,086
Total Fund Balance - All Funds	\$ 10,927,314	\$ 10,346,191	\$ 581,123

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021-2022 Budget

The School District's general fund adopted budget for the year ended June 30, 2022, was \$16,325,098. This is an increase of \$539,394 over the prior year's adopted budget. The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was \$6,534,316 in estimated property taxes and STAR and State and Federal Aid in the amount of \$8,000,618.

**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 1,580,680
Revenues and Transfers from Other Funds over Budget	149,435
Expenditures and Encumbrances under Budget	87,275
Net Decrease to Restricted Funds	745,300
Appropriated for June 30, 2023 Budget	<u>(1,680,587)</u>
Closing, Unassigned Fund Balance	<u>\$ 882,103</u>

Opening, Unassigned Fund Balance

The \$1,580,680 shown in the above table is the portion of the District's June 30, 2021 fund balance that was retained as unassigned. This was 9.68% of the School District's 2021-2022 approved operating budget.

Revenues, Transfers and Appropriated Reserves Over Budget

The 2021-2022 final budget for revenues including transfers was \$14,644,934. The actual revenues and other financing sources received for the year were \$14,794,369. The actual revenue and transfers over the budgeted revenue and transfers was \$149,435. This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2021 to June 30, 2022.

Expenditures and Encumbrances Under Budget

The 2021-2022 final budget for expenditures was \$16,343,997. The actual expenditures and encumbrances were \$16,256,722. The final budget was under expended by \$87,275. This under expenditure contributes to the change of the unassigned portion of the general fund balance from June 30, 2021 to June 30, 2022.

Net Decrease to Restricted Funds

The School District decreased restricted funds by \$745,300 as detailed in Note 11 of the financial statements.

Appropriated Fund Balance

The District chose to use \$1,680,587 of its available June 30, 2022 fund balance and reserves to partially fund its 2022-2023 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the School District will begin the 2022-2023 fiscal year with an unassigned fund balance of \$882,103. This is a decrease of \$698,577 from the unassigned balance as of June 30, 2021. This is 5.29% of the School District's 2022-2023 approved operating budget.

C. Capital Assets

At June 30, 2022, the District had invested in a broad range of capital assets, including land, land improvements, buildings and improvements, and vehicles, furniture, and equipment. The net decrease in capital assets is due to capital outlays being less than current year depreciation recorded for the year ended June 30, 2022. A summary of the District's capital assets, net of depreciation at June 30, 2022 and 2021, is as follows:

	2022	2021	Increase (Decrease)
Land	\$ 441,500	\$ 441,500	\$
Buildings and Improvements	13,116,234	13,551,169	(434,935)
Furniture and Equipment	433,096	485,026	(51,930)
Vehicles	<u>841,953</u>	<u>799,522</u>	<u>42,431</u>
Capital Assets, Net	<u>\$ 14,832,783</u>	<u>\$ 15,277,217</u>	<u>\$ (444,434)</u>

See Independent Auditor's Report.

**ORISKANY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

(Continued)

D. Debt Administration

At June 30, 2022, the District had total bonds payable of \$5,565,000. A summary of outstanding bonds payable at June 30, 2022 and 2021, is as follows:

Issue Date	Interest Rate	2022	2021	Increase (Decrease)
06/2012	2.51	\$	\$ 950,000	\$ (950,000)
06/2016	2.00 - 2.50	2,395,000	2,640,000	(245,000)
06/2017	0.90 - 3.00	130,000	475,000	(345,000)
06/2020	5.00	2,240,000	2,375,000	(135,000)
12/2021	1.00 - 2.00	800,000	800,000	800,000
		<u>\$ 5,565,000</u>	<u>\$ 6,440,000</u>	<u>\$ (875,000)</u>

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In May 2022 the voters passed the 2022-23 budget in the amount of \$16,688,766. This budget represents an increase in expenditures of 2.23% or \$363,668 from the 2021-22 budget. We believe this budget offers the best possible balance for a continued commitment to a comprehensive and rigorous education for the children of the Oriskany Central School District while maintaining an affordable value for our residents and members of our community.

7. CONTACTING THE DISTRICT

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

Oriskany Central School District
1313 Utica Street
Oriskany, New York 13424

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

Assets	
Cash and Cash Equivalents	\$ 2,157,208
Restricted Cash and Cash Equivalents	8,050,104
Receivables	
Due From Other Governments	1,628,091
Other Receivables	61,497
Right to Use Leased Asset, Net of Amortization	58,248
Net Pension Asset-Proportionate Share	5,088,243
Capital Assets Not Being Depreciated	441,500
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>14,391,283</u>
Total Assets	31,876,174
 Deferred Outflow of Resources	
Other Postemployment Benefits	4,446,732
Pensions	<u>3,342,699</u>
Total Deferred Outflows of Resources	<u>7,789,431</u>
 Total Assets and Deferred Outflow of Resources	
	<u>\$ 39,665,605</u>
 Liabilities	
Accounts Payable	\$ 46,467
Accrued Liabilities	137,596
Due To	
Teachers' Retirement System	520,418
Employees' Retirement System	33,330
Overpayments and Collections in Advance	231,775
Bond Interest Payable	7,635
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	670,000
Premium on Bond	51,859
Lease Liability	19,168
Due in More Than One Year	
Bonds Payable	4,895,000
Premium on Bond	418,081
Lease Liability	38,884
Other Postemployment Benefits	23,164,597
Compensated Absences	<u>566,730</u>
Total Liabilities	<u>30,801,540</u>
 Deferred Inflows of Resources	
Other Postemployment Benefits	8,597,441
Pension	<u>6,253,596</u>
Total Deferred Inflows of Resources	<u>14,851,037</u>
 Total Liabilities and Deferred Inflow of Resources	
	<u>45,652,577</u>
 Net Position	
Net Investment in Capital Assets	11,033,426
Restricted	8,210,312
Unrestricted (Deficit)	<u>(25,230,710)</u>
Total Net Position (Deficit)	<u>(5,986,972)</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Assets	
	<u>\$ 39,665,605</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	\$ 2,715,242	\$	\$	\$ (2,715,242)
Instruction	11,874,879	59,657	1,293,550	(10,521,672)
Pupil Transportation	917,842			(917,842)
Community Service	15,921			(15,921)
Debt Service - Unallocated Interest	142,285			(142,285)
Food Service Program	36,507		13,075	(23,432)
Total Functions/Programs	\$ 15,702,676	\$ 59,657	\$ 1,306,625	(14,336,394)
General Revenues				
Real Property Taxes				5,518,705
Other Real Property Tax Items				996,375
Use of Money and Property				15,132
Sale of Property and Compensation for Loss				22,420
State and Federal Sources				7,879,996
Miscellaneous				326,961
Total General Revenues				14,759,589
Change in Net Position				423,195
Net Position (Deficit), Beginning of Year				(5,808,582)
Cumulative Effect of Change in Accounting Principle				137,484
Prior Period Adjustment				(739,069)
Net Position (Deficit), Beginning of Year (Restated)				(6,410,167)
Net Position (Deficit), End of Year				\$ (5,986,972)

The Accompanying Notes are an Integral Part of These Financial Statements.

ORISKANY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	\$ 1,398,684	\$ 87,830	\$ 670,694	\$	\$	\$	\$ 2,157,208
Restricted Cash and Cash Equivalents	4,846,817			29,344	938,556	2,235,387	8,050,104
Receivables							
Due From Other Governments	636,369	13,075	817,525			161,122	1,628,091
Due From Other Funds	1,247,440	13,075	90,340		9		1,350,864
Other Receivables	61,497						61,497
Total Assets	<u>\$ 8,190,807</u>	<u>\$ 113,980</u>	<u>\$ 1,578,559</u>	<u>\$ 29,344</u>	<u>\$ 938,565</u>	<u>\$ 2,396,509</u>	<u>\$ 13,247,764</u>
Liabilities							
Payables							
Accounts Payable	\$ 46,467	\$	\$	\$	\$	\$	\$ 46,467
Accrued Liabilities	137,596						137,596
Due To							
Other Funds		3,157	1,346,784			923	1,350,864
Teachers' Retirement System	520,418						520,418
Employees' Retirement System	33,330						33,330
Overpayments and Collections in Advance			231,775				231,775
Total Liabilities	<u>737,811</u>	<u>3,157</u>	<u>1,578,559</u>			<u>923</u>	<u>2,320,450</u>
Fund Balance							
Restricted	4,846,817			29,344	938,565	2,395,586	8,210,312
Assigned	1,724,076	110,823					1,834,899
Unassigned	882,103						882,103
Total Fund Balance	<u>7,452,996</u>	<u>110,823</u>		<u>29,344</u>	<u>938,565</u>	<u>2,395,586</u>	<u>10,927,314</u>
Total Liabilities and Fund Balance	<u>\$ 8,190,807</u>	<u>\$ 113,980</u>	<u>\$ 1,578,559</u>	<u>\$ 29,344</u>	<u>\$ 938,565</u>	<u>\$ 2,396,509</u>	<u>\$ 13,247,764</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE DISTRICT-WIDE NET POSITION
June 30, 2022**

Total Governmental Fund Balances \$ 10,927,314

Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, equipment) and right to use leased assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.

Right to Use Leased Assets	531,797	
Accumulated Amortization	(473,549)	
Original Cost of Capital Assets	31,153,011	
Accumulated Depreciation	<u>(16,320,228)</u>	14,891,031

Proportionate share of long-term asset and/or liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.

Deferred Outflows - Pensions	3,342,699	
Net Pension Asset - Proportionate Share	5,088,243	
Deferred Inflows - Pensions	<u>(6,253,596)</u>	2,177,346

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable	(5,565,000)	
Premium on Bond	(469,940)	
Lease Liability	(58,052)	
Accrued Interest on Bonds Payable	(7,635)	
Other Postemployment Benefits	(23,164,597)	
Deferred Outflows - Other Postemployment Benefits	4,446,732	
Deferred Inflows - Other Postemployment Benefits	(8,597,441)	
Compensated Absences Payable	<u>(566,730)</u>	<u>(33,982,663)</u>

Total Net Position \$ (5,986,972)

The Accompanying Notes are an Integral Part of These Financial Statements.

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	\$ 5,518,705						\$ 5,518,705
Other Real Property Tax Items	996,375						996,375
Charges for Services	59,657						59,657
Use of Money and Property	1,855	13,084		3	190		15,132
Sale of Property and Compensation for Loss	22,420						22,420
Miscellaneous	315,361			11,600			326,961
State Aid	7,818,088	13,075	162,367				7,993,530
Federal Aid	61,908		1,131,183				1,193,091
Total Revenues	<u>14,794,369</u>	<u>26,159</u>	<u>1,293,550</u>	<u>11,603</u>	<u>190</u>		<u>16,125,871</u>
Expenditures							
General Support	2,123,742						2,123,742
Instruction	7,039,793		1,138,736	2,950		83,462	8,264,941
Pupil Transportation	852,290		18,175				870,465
Community Service	10,329						10,329
Food Service Program		34,101					34,101
Employee Benefits	3,007,795		205,157				3,212,952
Capital Outlay						914	914
Debt Service - Principal	915,410						915,410
Debt Service - Interest	195,356						195,356
Total Expenditures	<u>14,144,715</u>	<u>34,101</u>	<u>1,362,068</u>	<u>2,950</u>		<u>84,376</u>	<u>15,628,210</u>
Excess (Deficit) Revenues Over Expenditures	<u>649,654</u>	<u>(7,942)</u>	<u>(68,518)</u>	<u>8,653</u>	<u>190</u>	<u>(84,376)</u>	<u>497,661</u>
Other Financing Sources (Uses)							
Proceeds of Leases						83,462	83,462
Proceeds of Advance Refunding Bond					965,000		965,000
Payment to Escrow Agent					(963,280)		(963,280)
Bond Issuance Costs					(34,190)		(34,190)
Premium on Obligations					32,470		32,470
Transfers from Other Funds			68,518			2,000,000	2,068,518
Transfers to Other Funds	(2,068,518)						(2,068,518)
Total Other Financing Sources (Uses)	<u>(2,068,518)</u>		<u>68,518</u>			<u>2,083,462</u>	<u>83,462</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(1,418,864)</u>	<u>(7,942)</u>		<u>8,653</u>	<u>190</u>	<u>1,999,086</u>	<u>581,123</u>
Fund Balance, Beginning of Year	8,871,860	118,765		62,760	938,375	396,500	10,388,260
Prior Period Adjustment				(42,069)			(42,069)
Fund Balance, Beginning of Year (Restated)	8,871,860	118,765		20,691	938,375	396,500	10,346,191
Fund Balance, End of Year	<u>\$ 7,452,996</u>	<u>\$ 110,823</u>	<u>\$</u>	<u>\$ 29,344</u>	<u>\$ 938,565</u>	<u>\$ 2,395,586</u>	<u>\$ 10,927,314</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Net Changes in Fund Balance - Total Governmental Funds \$ 581,123

Capital Outlays to purchase, build, or lease capital assets or right to use leased assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation expense in the period.

Right to Use Leased Asset	46,635	
Amortization Expense on Leased Assets	(125,871)	
Depreciation Expense	(711,482)	
Capital Outlays	<u>313,683</u>	(477,035)

Notes payable and bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which bond proceeds exceeded repayments during the period.

Principal Paid on Lease Liability	25,410	
Principal Payments on Bonds	890,000	
Amortization Expense on Leased Assets	(125,871)	
Additional Proceeds from Refunding	(1,720)	
Amortization of Premium on Bond	51,859	
Premium on Bond	<u>(32,470)</u>	807,208

Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in Accrued Interest on Serial Bonds	1,212	
Change in Other Postemployment Benefits (including Deferred Outflows and Inflows)	(1,140,899)	
Change in Pension Expense	889,480	
Change in Compensated Absences	<u>(237,894)</u>	(488,101)

Change in Net Position Governmental Activities \$ 423,195

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022**

	<u>Custodial</u>
Assets	
Cash and Cash Equivalents - Restricted	\$ <u>68,671</u>
Net Position	
Restricted for Extraclassroom Activities	\$ <u>68,671</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2022

	<u>Custodial</u>
Additions	
Interest Income	7
Extraclassroom - Receipts	<u>107,094</u>
Total Additions	<u>107,101</u>
Deductions	
Extraclassroom - Expenses	<u>101,190</u>
Change in Net Position	5,911
Net Position, Beginning of Year	<u>20,691</u>
Prior Period Adjustment	<u>42,069</u>
Net Position, Beginning of Year (Restated)	<u>62,760</u>
Net Position, End of Year	<u>\$ 68,671</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a Fiduciary Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's administrative offices.

Joint Venture

The School District is a component district in the Oneida-Herkimer-Madison Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

Basis of Presentation

(a) *District-Wide Statements*

The Statement of Net Position and the Statement of Activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, such as employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(b) Fund Financial Statements

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

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

Miscellaneous Special Revenue Fund: This fund is used to account for various scholarship awards.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Funds

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

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups or extraclassroom activity within the District.

Measurement Focus and Basis of Accounting

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

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

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

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Estimates

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

Cash and Cash Equivalents

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

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

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien on September 1. Taxes are collected during the period September 1 to November 1. The County of Oneida subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

Receivables

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

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 10 to the financial statements.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. The School District uses capitalization thresholds of \$1,000 for machinery, equipment, vehicles, land and building improvements. Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Lives</u>	<u>Method</u>
Furniture, Equipment, and Vehicles	5-15 Years	Straight Line
Buildings and Improvements	50 Years	Straight Line
Land Improvements	20 Years	Straight Line

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Right to Use Leased Assets

The District has recorded right to use lease assets as a result of implementing GASB 87 – Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Deferred Outflow of Resources

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset and liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Vested Employee Benefits - Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Other Benefits

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

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Restricted Resources

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

Equity Classifications

(a) District-wide Financial Statements

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

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

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

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

(b) Fund Statements

The School District follows GASB's authoritative guidance under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the school lunch fund.

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The School District has established the following restricted fund balances:

- ***Reserve for Workers' Compensation*** – This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Within sixty days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General Fund.
- ***Unemployment Insurance Reserve*** – According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.
- ***Retirement Contribution Reserve*** – The Retirement Contribution Reserve (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. During a fiscal year, a Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.
- ***Liability and Property Loss Reserve*** – The Property Loss and Liability Reserves [Education Law §1709(8)(c)] are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000. These reserves are accounted for in the General Fund.
- ***Insurance Reserve*** – Insurance reserve (GML §6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used of any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund.
- ***Reserve for Tax Certiorari*** – Tax Certiorari Reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed that amount, which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year deposit of these monies. The reserve is accounted for in the General Fund.
- ***Reserve for Employee Benefits Accrued Liability*** – According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- ***Capital Reserve*** – The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of Education Law. This reserve is accounted for in the General Fund.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

- **Reserve for Repairs** – According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.
- **Miscellaneous Special Revenue Fund** – This fund is used to account for various endowment and scholarship awards.
- **Debt Service** – Used to account for the accumulation of resources and that are restricted to pay debt service. The fund includes all unused debt proceeds and interest and earnings on temporary investment of debt proceeds. This reserve is accounted for in the Debt Service Fund.
- **Capital Projects Fund** – This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- **Committed** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.
- **Assigned** – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official such as the District’s purchasing agent to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than the capital projects fund, are classified as assigned fund balance. The amount appropriated for the subsequent year’s budget of the general fund is also classified as assigned fund balance in the general fund.
- **Unassigned** – Includes all other fund net assets that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Restricted for Extraclassroom Activities

This reserve is used to account for various student groups or extraclassroom. This reserve is accounted for in the Custodial Fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

New Accounting Standard

Effective July 1, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information on the District’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

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

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

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

Total fund balances of the School District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories.

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

(e) Pension Differences

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

(f) OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

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

Appropriations are adopted at the program line item level.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

Encumbrances

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

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2021-2022 school year was in compliance with the NYS Tax Cap Limit.

General Fund – Statutory Unassigned Fund Balance Limit

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

At June 30, 2022, the School District's unassigned fund balance was 5.29% of the 2022-2023 budget.

4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized;
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

As of June 30, 2022, with the School District's bank balances totaling \$10,417,737 were fully collateralized by securities held by an agent of the pledging financial institution in the School District's name, FDIC insurance and NCUA insurance and were not exposed to custodial credit risk.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

5. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash of \$4,846,817 in the General Fund represents the following:

Description	Amount
Workers' Compensation	\$ 230,077
Unemployment Insurance	173,967
Retirement Contribution - ERS	858,380
Retirement Contribution - TRS	242,141
Property Loss	50,966
Liability	100,152
Insurance	821,900
Tax Certiorari	105,745
Employee Benefit Accrued Liability	550,194
Capital	1,312,260
Repairs	401,035
Total	\$ 4,846,817

Restricted cash of \$29,344 in the Miscellaneous Special Revenue Fund represents funds gifted to the school district for scholarships and awards.

Restricted cash of \$938,556 in the Debt Service Fund represents cash restricted towards future debt service expenditures.

Restricted cash of \$2,235,387 in the Capital Fund represents cash restricted towards the District's capital projects.

Restricted cash of \$68,671 in the Fiduciary Custodial Fund represents the student activity cash balances at June 30, 2022.

6. CAPITAL ASSETS & RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 441,500	\$	\$	\$ 441,500
Total	441,500			441,500
Capital Assets Being Depreciated				
Buildings and Improvements	27,137,330			27,137,330
Furniture and Equipment	1,696,013	18,238	46,773	1,667,478
Vehicles	1,657,893	248,810		1,906,703
Total	30,491,236	267,048	46,773	30,711,511
Accumulated Depreciation				
Buildings and Improvements	13,586,161	434,935		14,021,096
Furniture and Equipment	1,210,987	70,168	46,773	1,234,382
Vehicles	858,371	206,379		1,064,750
Total	15,655,519	711,482	46,773	16,320,228
Net Capital Assets Being Depreciated	14,835,717	(444,434)		14,391,283
Net Capital Assets	\$ 15,277,217	\$ (444,434)	\$	\$ 14,832,783

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Depreciation expense is allocated to the following functions/programs:

<u>Function/Program</u>		
General Support	\$	149,815
Instruction		498,409
Transportation		60,123
School Lunch Services		2,406
Community Services		<u>729</u>
Total Depreciation	\$	<u>711,482</u>

Right to use leased asset activity for the year ended June 30, 2022, is as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	\$ 485,162	\$ 46,634	\$	\$ 531,796
Total	<u>485,162</u>	<u>46,634</u>	<u></u>	<u>531,796</u>
Accumulated Amortization				
Leased Equipment	<u>347,678</u>	<u>125,870</u>	<u></u>	<u>473,548</u>
Total	<u>347,678</u>	<u>125,870</u>	<u></u>	<u>473,548</u>
Net Right to Use Leased Assets	<u>\$ 137,484</u>	<u>\$ (79,236)</u>	<u>\$</u>	<u>\$ 58,248</u>

Amortization expense of \$125,871 is charged solely to instruction.

7. LONG-TERM LIABILITIES

Long-term liability balances and activity are as follows:

<u>Description</u>	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds	\$ 6,440,000	\$ 965,000	\$ 1,840,000	\$ 5,565,000	\$ 670,000
Premium on Bond	489,329	32,470	51,859	469,940	51,859
Other Liabilities					
Other Postemployment Benefits	28,124,336	2,026,706	6,986,445	23,164,597	
Net Pension Liability	79,616		79,616		
Lease Liability		83,462	25,410	58,052	19,168
Compensated Absences	<u>328,836</u>	<u>237,894</u>	<u></u>	<u>566,730</u>	<u></u>
Total Long Term Liabilities	<u>\$ 35,462,117</u>	<u>\$ 3,345,532</u>	<u>\$ 8,983,330</u>	<u>\$ 29,824,319</u>	<u>\$ 741,027</u>

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain circumstances prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Details relating to general obligation (serial) bonds and notes payable of the School District outstanding at June 30, 2022, are summarized as follows:

<u>Payable From/Description</u>	<u>Original Issue</u>	<u>Amount</u>	<u>Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
General Fund					
Serial Bond	06/2016	\$ 3,817,125	06/2031	2.00 - 2.50	\$ 2,395,000
Serial Bond-Refunding	06/2017	\$ 1,660,000	06/2023	0.90 - 3.00	130,000
Serial Bond	06/2020	\$ 2,470,000	06/2034	5.00	2,240,000
Serial Bond-Refunding	12/2021	\$ 965,000	12/2027	1.00 - 2.00	800,000
Total					<u>\$ 5,565,000</u>

Principal and interest payments due on serial bonds is as follows:

<u>For the Year Ending June 30,</u>	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 670,000	\$ 183,238	\$ 853,238
2024	550,000	164,338	714,338
2025	575,000	148,988	723,988
2026	595,000	132,838	727,838
2027	605,000	115,988	720,988
2028-2032	2,100,000	336,750	2,436,750
2033-2034	470,000	35,500	505,500
Total	<u>\$ 5,565,000</u>	<u>\$ 1,117,640</u>	<u>\$ 6,682,640</u>

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

Interest Paid	\$ 195,356
Less: Interest Accrued in the Prior Year	(8,847)
Less: Amortization of Bond Premium	(51,859)
Plus: Interest Accrued in the Current Year	7,635
Total Interest Expense on Long-Term Debt	<u>\$ 142,285</u>

Serial Bond Unamortized Premium

During 2022, the District issued \$965,000 in general obligation bonds to advance refund \$950,000 of outstanding 2012 serial bonds.

The original issue premium on this current and previous year's refunding bonds have been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premium is being amortized using the straight-line method over the life of the bond. The current year amortization is \$51,859 and is included as a reduction to interest expense on the Statement of Activities.

Unamortized Premium, 6/30/2021	\$ 489,329
Add: Premium on Bond Issuance in Current Year	32,470
Less: Amount Recognized in Current Year	(51,859)
Unamortized Premium, 6/30/2022	<u>\$ 469,940</u>

Debt Limit

Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority. At June 30, 2022, the School District was in compliance with its statutory debt limit.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Compensated Absences

Compensated absences represent vacation and sick time that has been earned by School District employees but not used as of June 30, 2022.

Lease Liability

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates and are for a term of 3-5 years. The lease liability is measured at a discount rate which is stated in the lease agreements. As a result of these leases, the District has recorded a right to use asset with a net book value of \$58,052 at June 30, 2022.

For the Year Ending June 30,	Leases		
	Principal	Interest	Total
2023	\$ 19,168	\$ 551	\$ 19,719
2024	19,350	369	19,719
2025	19,534	185	19,719
Total	\$ 58,052	\$ 1,105	\$ 59,157

8. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2022, were paid.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

The required contributions for the current year and two preceding years were:

	Amount
2020	\$ 121,658
2021	118,249
2022	133,320

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

At June 30, 2022, the School District reported an asset of \$233,231 for its proportionate share of the net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 and 2021, the School District's proportion was .0028531 percent and .0021763 percent, respectively.

For the year ended June 30, 2022, the School District recognized a pension credit of \$34,383. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,663	\$ 22,910
Change of assumptions	389,237	6,568
Net difference between projected and actual earnings on Pensions plan investments		763,735
Changes in proportion and differences between contributions and proportionate share of contributions	88,332	16,229
Contributions subsequent to the measurement date	30,683	
Total	\$ 525,915	\$ 809,442

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

Year Ended June 30,		
2023	\$	(35,202)
2024		(67,209)
2025		(183,964)
2026		(27,835)

(d) Actuarial Assumptions

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

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Significant actuarial assumptions used in the April 1, 2021 valuation was as follows:

Investment rate of return		
(net of investment expense,		
including inflation)		5.90%
Salary scale		4.40%
Decrement tables	April 1, 2015 - March 31, 2020	
	System's Experience	
Inflation rate		2.70%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/ARS portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.80%
Fixed income	23.00%	0.00%
Cash	1.00%	-1.00%
	100.00%	

**Real rates of return are net of long-term inflation assumption of 2.50%*

(e) Discount Rate

The discount rate used to calculate the total pension liability was 5.9 percent. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

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

The following presents the School District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (asset)	\$ 600,335	\$ (233,231)	\$ (930,470)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of \$30,683 at June 30, 2022. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2022-2023 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System.

However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The required employer contributions for the current year and two preceding years were:

	Amount
2020	\$ 420,298
2021	452,082
2022	487,774

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

At June 30, 2022, the School District reported an asset of \$4,855,012 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was .028017 percent, which was a decrease of .00001 percent from its proportion measured as of June 30, 2020 of .028027 percent.

For the year ended June 30, 2022, the School District recognized pension credit of \$274,962. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 669,212	\$ 25,224
Changes of assumptions	1,596,915	282,790
Net difference between projected and actual earnings on pensions plan investments		5,081,272
Changes in proportion and differences between contributions and proportionate share of contributions	49,603	54,868
Contributions subsequent to the measurement date	487,774	
Total	\$ 2,803,504	\$ 5,444,154

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

<u>Year ended June 30:</u>		
2022	\$	(623,349)
2023		(734,691)
2024		(925,004)
205		(1,228,935)
2026		222,569
Thereafter		160,986

(d) Actuarial Assumptions

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

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Significant actuarial assumptions used in the June 30, 2020 valuation were as follows:

Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.	
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.	
	Service	Rate
	5	5.18%
	15	3.64%
	25	2.50%
	35	1.95%
Projected COLAs	1.3% compounded annually.	
Inflation rate	2.4%	

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2020, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP 2020 starting as of June 30, 2021.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.8%
International equity	16.0%	7.6%
Global equity	4.0%	7.1%
Real estate equity	11.0%	6.5%
Private equity	8.0%	10.0%
Domestic fixed income	16.0%	1.3%
Global bonds	2.0%	0.8%
Private debt	1.0%	5.9%
Real estate debt	7.0%	3.3%
High-yield bonds	1.0%	3.8%
Cash equivalents	<u>1.0%</u>	-0.2%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2021.

(e) Discount Rate

The discount rate used to measure the pension liability (asset) was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

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

The following presents School District's proportionate share of the net pension (asset) liability calculated using the discount rate of 6.95 percent, as well as what the School District's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (asset)	\$ (509,463)	\$ (4,855,012)	\$ (8,507,130)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of \$487,774 (excluding employees' share) in the General Fund at June 30, 2022. This amount represents contribution for the 2021-2022 fiscal year that will be made in 2022-2023 and has been accrued as an expenditure in the current year.

9. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Descriptions

The District provides medical benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the District has in place with different classifications of employees.

The District acquires health insurance through Excellus BlueCross/BlueShield. The insurance plans cover medical and pharmaceutical costs. Refer to plan documents for the specifics and limitations of the coverage offered to retirees. Many of the services provided by Excellus BlueCross/Blue Shield require co-payments at various levels depending on the nature of the service.

The School District provides medical, dental and life insurance to retirees and their covered dependents. The School District pays a portion of the cost for eligible retirees, covered spouses, and dependents. Currently there are approximately 417 current and former employees participating in the School District's Other Postemployment Benefits (OPEB) plan. The benefits provided to employees upon retirement are based upon provisions in various contracts that the District has in place with different classifications of employees. All active employees who retire or are disabled directly from the School District and meet eligibility criteria can participate.

The Plan does not issue a stand-alone publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

(b) Benefits Provided

The benefits provided to active employees at retirement and eligibility requirements are summarized below:

Employee Group	Description of Benefits	Retiree Contributions	Comments
Superintendent	Medical	Individual - 10% Family - 50% Surviving Spouse - 20%	Required Age - 55 Required Service - 10
Administrators	Medical	Individual - 15% Family - 45% Surviving Spouse - 15%	Required Age - 55 Required Service - 10
Instructional	Medical	Individual - 25% Family - 50% Surviving Spouse - 50%	Required Age - 55 Required Service - 10
Non-Instructional	Medical	Individual - 25% Family - 50% Surviving Spouse - 50%	Required Age - 55 Required Service - 10
Business Administrator	Medical	Individual - 10% Family - 50% Surviving Spouse - 50%	Required Age - 55 Required Service - 10

For all of the above groups, vision benefits are provided through plan and retiree is responsible for 100% of the costs

(c) Employees Covered by Benefit Terms

	<u>Total</u>
Actives	104
Retirees	65
Beneficiaries	2
Spouses of Retirees	<u>19</u>
Total	<u><u>190</u></u>

(d) Total OPEB Liability

The District's total OPEB liability of \$23,164,597 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020.

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

(e) Changes in the Net OPEB Liability

Changes in the District's total OPEB liability were as follows:

	Total OPEB Liability
Balance as of June 30, 2021	\$ 28,124,336
Changes recognized for the year:	
Service cost	1,394,524
Interest	632,182
Effect of assumption changes or inputs	(6,481,440)
Benefit payments	<u>(505,005)</u>
Net changes	<u>(4,959,739)</u>
Balance as of June 30, 2022	<u>\$ 23,164,597</u>

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Current Assumption 3.54%	1% Increase 4.54%
Total OPEB liability as of June 30, 2022	\$ 27,631,843	\$ 23,164,597	\$ 19,658,577

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30 declining to 3.10 percent) or 1 percentage point higher (6.30 declining to 5.10 percent) than the current healthcare cost trend rate:

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability as of June 30, 2022	\$ 18,918,401	\$ 23,164,597	\$ 28,805,894

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,140,899. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,480	\$ 3,055,340
Changes of assumptions	<u>4,411,252</u>	<u>5,542,101</u>
Total	<u>\$ 4,446,732</u>	<u>\$ 8,597,441</u>

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2023	\$ (380,802)
2024	(380,802)
2025	(381,592)
2026	(963,801)
2027	(1,111,982)
Thereafter	(931,730)

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, with a June 30, 2022 measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Inflation rate	2.60%
Healthcare Cost Trend Rates	5.3%, decreasing to 4.1% over 55 years
Discount Rate	3.54%

The discount rate changed from 2.16% to 3.54%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

10. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 1,247,440	\$	\$	\$ 2,068,518
School Lunch	13,075	3,157		
Special Aid	90,340	1,346,784	68,518	
Debt Service	9			
Capital Projects		923	2,000,000	
Total Government Activities	\$ 1,350,864	\$ 1,350,864	\$ 2,068,518	\$ 2,068,518

- The District made a transfer of \$68,518 from the General Fund to the Special Aid Fund, which represents the local share of the Summer School Program and Title IIA.
- The District transferred \$2,000,000 from the General Fund to the Capital Fund for capital project expenditures.
- Interfund receivables and payables are typically liquidated within 1 year.

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

11. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the governmental fund's Balance Sheet:

	General	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total
Restricted						
Workers' Compensation	\$ 230,077	\$	\$	\$	\$	\$ 230,077
Unemployment Insurance	173,967					173,967
Retirement Contribution - ERS	858,380					858,380
Retirement Contribution - TRS	242,141					242,141
Property Loss	50,966					50,966
Liability	100,152					100,152
Insurance	821,900					821,900
Tax Certiorari	105,745					105,745
Employee Benefits						
Accrued Liability	550,194					550,194
Capital	1,312,260					1,312,260
Repairs	401,035					401,035
Reserve for Scholarships			29,344			29,344
Debt Service				938,565		938,565
Capital Projects					2,395,586	2,395,586
Total Restricted	<u>4,846,817</u>		<u>29,344</u>	<u>938,565</u>	<u>2,395,586</u>	<u>8,210,312</u>
Assigned						
Encumbrances	43,489					43,489
School Lunch		110,823				110,823
Appropriated for Subsequent Year's Budget	1,680,587					1,680,587
Total Assigned	<u>1,724,076</u>	<u>110,823</u>				<u>1,834,899</u>
Unassigned	<u>882,103</u>					<u>882,103</u>
Total Fund Balance	<u>\$ 7,452,996</u>	<u>\$ 110,823</u>	<u>\$ 29,344</u>	<u>\$ 938,565</u>	<u>\$ 2,395,586</u>	<u>\$ 10,927,314</u>

(b) The following is a summary of the change in general fund restricted funds during the year ended June 30, 2022:

Restricted Fund	Balance at July 01, 2021	Additions	Deductions	Balance at June 30, 2022
Workers Compensation	\$ 143,197	\$ 86,880	\$	\$ 230,077
Unemployment Insurance	73,951	100,016		173,967
Retirement Contribution - ERS	858,211	169		858,380
Retirement Contribution - TRS	50,021	192,120		242,141
Property Loss	50,956	10		50,966
Liability	100,133	19		100,152
Insurance	821,739	161		821,900
Tax Certiorari	105,725	20		105,745
Employee Benefit Accrued Liability	550,086	108		550,194
Capital	2,637,102	675,158	2,000,000	1,312,260
Repairs	200,996	200,039		401,035
Total	<u>\$ 5,592,117</u>	<u>\$ 1,254,700</u>	<u>\$ 2,000,000</u>	<u>\$ 4,846,817</u>

**ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

12. CONTINGENCIES

Risk Financing and Related Insurance

(a) General Information

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

(b) Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

13. NET POSITION DEFICIT – DISTRICT WIDE

The District-wide net position had an unrestricted net position deficit at June 30, 2022 of \$25,230,710 and a total net position deficit of \$5,986,972. The deficit is primarily the result of GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which requires the recognition of an unfunded liability of \$23,164,597 at June 30, 2022. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

14. TAX ABATEMENTS

The County of Oneida Industrial Development Agency and the School District entered into property tax abatement programs for the purpose of economic development with a local employer. For the year ended June 30, 2022 the School District's property tax revenue was reduced by \$47,561 as a result of these tax abatement agreements. For the year ended June 30, 2022 the School District received payment in lieu of taxes (PILOTs) totaling \$90,356.

15. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS

The implementation of GASB 87, Accounting for Leases required a net adjustment to beginning net position in the amount of \$137,484.

A prior period adjustment in the amount of \$697,000 was necessary to correct an error in the recording the district's proportionate share of the net pension liability for TRS in accordance with GASB 68.

A prior period adjustment in the amount of \$62,760 was made to remove extraclassroom fund balance from the Miscellaneous Special Revenue Fund and move it to the Custodial Fund.

A prior period adjustment in the amount of \$(20,691) was made to remove scholarship fund balance from the Custodial Fund and move it to the Miscellaneous Special Revenue Fund.

Net Position (Deficit) Beginning of Year, As Previously Stated	\$ (5,808,582)
GASB Statement No. 87 Implementation:	137,484
Net Prior Period Adjustments	(739,069)
Net Position (Deficit) Beginning of Year, As Restated	\$ (6,410,167)

16. SUBSEQUENT EVENTS

The School District issued a Bond Anticipation Note (BAN) on July 27, 2022 for \$2,500,000 with an interest rate of 2.86%.

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	\$ 5,471,405	\$ 5,471,405	\$ 5,518,705	\$ 47,300
STAR and Other Real Property Tax Items	1,062,911	1,062,911	996,375	(66,536)
Charges for Services			59,657	59,657
Use of Money and Property	10,000	10,000	1,855	(8,145)
Sale of Property and Compensation for Loss			22,420	22,420
Miscellaneous	100,000	100,000	315,361	215,361
State Aid	7,991,118	7,991,118	7,818,088	(173,030)
Federal Aid	9,500	9,500	61,908	52,408
Total Revenues	<u>14,644,934</u>	<u>14,644,934</u>	<u>14,794,369</u>	<u>149,435</u>
Other Financing Sources				
Appropriated Fund Balance	1,699,063	1,699,063		(1,699,063)
Total Revenues and Other Financing Sources	<u>\$ 16,343,997</u>	<u>\$ 16,343,997</u>	<u>14,794,369</u>	<u>\$ (1,549,628)</u>
Expenditures				
General Support				
Board of Education	\$ 18,125	\$ 20,245	\$ 16,886	\$ 3,359
Central Administration	217,975	282,082	265,346	16,736
Finance	584,770	633,905	604,088	29,817
Staff	154,443	147,280	132,699	14,581
Central Services	1,261,831	1,119,240	901,402	12,268
Special Items	223,000	218,242	203,321	14,921
Total General Support	<u>2,460,144</u>	<u>2,420,994</u>	<u>2,123,742</u>	<u>12,268</u>
Instruction				
Instruction, Administration, and Improvement	432,109	381,684	339,516	42,168
Teaching - Regular School	4,049,803	3,938,458	3,461,784	476,674
Programs for Children With Special Needs	2,380,556	2,204,357	1,791,557	14,836
Occupational Education	410,000	458,000	457,121	879
Teaching - Special School	20,000	15,000	11,249	3,751
Instructional Media	457,625	473,670	435,350	38,320
Pupil Services	622,092	663,179	543,216	16,385
Total Instruction	<u>8,372,185</u>	<u>8,134,348</u>	<u>7,039,793</u>	<u>31,221</u>
		<u>125,871</u>		
Pupil Transportation	905,110	967,847	852,290	115,557
Community Services	13,950	12,450	10,329	2,121
Employee Benefits	3,485,270	3,606,020	3,007,795	598,225
Debt Service - Principal	875,000	890,000	915,410	(25,410)
Debt Service - Interest	212,338	197,338	195,356	1,982
Total Expenditures	<u>16,323,997</u>	<u>16,228,997</u>	<u>14,144,715</u>	<u>43,489</u>
Other Financing Uses				
Transfers to Other Funds	20,000	115,000	2,068,518	(1,953,518)
Total Expenditures and Other Financing Uses	<u>\$ 16,343,997</u>	<u>\$ 16,343,997</u>	<u>16,213,233</u>	<u>\$ 43,489</u>
Net Change in Fund Balance			(1,418,864)	
Fund Balance - Beginning of Year			<u>8,871,860</u>	
Fund Balance - End of Year			<u>\$ 7,452,996</u>	

Note to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

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

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2022

Measurement Date	6/30/2022*	6/30/2021*	6/30/2020*	6/30/2019*	6/30/2018*
Total OPEB Liability					
Service cost	\$ 1,394,524	\$ 1,276,867	\$ 973,747	\$ 938,019	\$ 824,136
Interest on Total OPEB Liability	632,182	642,856	803,225	661,289	628,820
Effect of Plan Changes		(70,887)			
Effect of Demographic Gains or Losses		(3,629,579)		(956,001)	103,715
Change in Assumptions and Other Inputs	(6,481,440)	2,334,754	4,593,539	797,152	
Benefit payments	<u>(505,005)</u>	<u>(480,012)</u>	<u>(586,305)</u>	<u>(554,424)</u>	<u>(621,623)</u>
Net change in total OPEB Liability	(4,959,739)	73,999	5,784,206	886,035	935,048
Total OPEB Liability - Beginning	<u>28,124,336</u>	<u>28,050,337</u>	<u>22,266,131</u>	<u>21,380,096</u>	<u>20,445,048</u>
Total OPEB Liability - Ending	<u>\$ 23,164,597</u>	<u>\$ 28,124,336</u>	<u>\$ 28,050,337</u>	<u>\$ 22,266,131</u>	<u>\$ 21,380,096</u>
Covered payroll	\$ 5,141,876	\$ 5,141,876	\$ 4,788,106	\$ 4,788,106	\$ 5,906,492
Total OPEB Liability as a percentage of covered payroll	450.51%	546.97%	585.83%	465.03%	361.98%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

The District does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements.

Changes to Assumptions

The discount rate changed from 2.16% to 3.54%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

See Independent Auditor's Report.

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
For the Year Ended June 30, 2022

ERS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	133,320	118,249	121,658	122,627	120,498	138,294
Contributions in Relation to the Contractually Required Contribution	<u>133,320</u>	<u>118,249</u>	<u>121,658</u>	<u>122,627</u>	<u>120,498</u>	<u>138,294</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-ERS Employee Payroll	\$ 924,779	\$ 995,346	\$ 882,127	\$ 1,158,470	\$ 1,020,148	\$ 945,428
Contributions as a Percentage of Covered-Employee Payroll	14.42%	11.88%	13.79%	10.59%	11.81%	14.63%

TRS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 487,774	\$ 452,082	\$ 420,298	\$ 457,021	\$ 442,144	\$ 491,122
Contributions in Relation to the Contractually Required Contribution	<u>487,774</u>	<u>452,082</u>	<u>420,298</u>	<u>457,021</u>	<u>442,144</u>	<u>491,122</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-TRS Employee Payroll	\$ 4,977,286	\$ 4,753,754	\$ 4,754,502	\$ 4,658,726	\$ 4,530,164	\$ 4,493,339
Contributions as a Percentage of Covered-Employee Payroll	9.80%	9.51%	8.84%	9.81%	9.76%	10.93%

See Independent Auditor's Report.

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
For the Year Ended June 30, 2022

ERS Pension Plan						
	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability	0.0028531%	0.0021767%	0.0023804%	0.0024791%	0.0024715%	0.0029555%
District's proportionate share of the net pension liability	\$ (233,231)	\$ 2,167	\$ 630,340	\$ 175,655	\$ 79,767	\$ 277,707
District's covered-employee payroll	\$ 924,779	\$ 995,346	\$ 882,127	\$ 1,158,470	\$ 1,020,148	\$ 945,428
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	25.22%	0.22%	71.46%	15.16%	7.82%	29.37%
Plan fiduciary net position as a percentage of total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

TRS Pension Plan						
	2021	2020	2019	2018	2017	2016
District's Proportion of the net pension asset/liability	0.0280170%	0.0280270%	0.0270670%	0.0272370%	0.0283480%	0.0285850%
District's proportionate share of the net pension (asset) liability	\$ (4,855,012)	\$ 774,449	\$ (703,196)	\$ (492,522)	\$ (215,472)	\$ 306,161
District's covered-employee payroll	\$ 4,753,754	\$ 4,754,502	\$ 4,658,726	\$ 4,530,164	\$ 4,493,339	\$ 4,493,349
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	102.13%	16.29%	15.09%	10.87%	4.80%	6.81%
Plan fiduciary net position as a percentage of total pension asset/liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

* Information is presented for only years available

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND REAL PROPERTY TAX LIMIT
For the Year Ended June 30, 2022

Change from Adopted Budget to Final Budget

Adopted Budget	\$	16,325,098
Add: Prior Year's Encumbrances		18,899
Original Budget		16,343,997
Final Budget	\$	16,343,997

Section 1318 of Real Property Tax Law Limit Calculation

2022-23 voter-approved expenditure budget	\$	16,688,766
Maximum allowed (4% of 2022-23 budget)	\$	667,551

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

Unrestricted fund balance:		
Assigned fund balance	1,724,076	
Unassigned fund balance	882,103	
Total unrestricted fund balance	2,606,179	

Less:

Appropriated fund balance	1,680,587	
Encumbrances included in committed and assigned fund balance	43,489	
Total adjustments	1,724,076	

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	882,103
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Actual percentage		5.29%
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ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures		Total	Unexpended Balance	Methods of Financing		Total	Fund Balance June 30, 2022
			Prior Years	Current Year			Federal and State Aid	Local Sources		
Capital Project #1 - District Wide Smart Schools Elementary Phase #3	\$ 659,180	\$ 659,180	\$ 648,759	\$ 10,421	\$ 648,759	\$ 10,421	\$ 563,873	\$ 100,000	\$ 663,873	\$ 15,114
Capital Outlay Project-Cameras Jr/Sr High School	2,028,805	2,461,600	2,327,682	133,918	2,327,682	133,918	1,994,091	333,591	2,327,682	8,329
Capital Project #2 - District Wide Renovations New Capital Project	5,283,015	5,283,015	5,132,901	150,114	5,132,901	150,114	3,817,125	1,606,544	5,505,958	373,057
Totals	\$ 10,571,000	\$ 11,003,795	\$ 8,201,013	\$ 2,499,086	\$ 8,201,927	\$ 2,801,868	\$ 5,811,216	\$ 4,140,135	\$ 10,597,513	\$ 2,395,586

ORISKANY CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2022

Capital Assets, Net	\$ <u>14,832,783</u>
Add:	
Capital Restricted Cash	2,235,387
Right to Use Leased Assets, Net of Amortization	<u>58,248</u>
Total Additions	<u>2,293,635</u>
Deduct:	
Serial Bonds Payable	5,565,000
Lease Liability	58,052
Premium on Bonds Payable	<u>469,940</u>
Total Deductions	<u>6,092,992</u>
Net Investment in Capital Assets	\$ <u><u>11,033,426</u></u>

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Education
Oriskany Central School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oriskany Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Oriskany Central School District's basic financial statements, and have issued our report thereon dated October 18, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

D'Arcangelo + Co., LLP

October 18, 2022

Rome, New York

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Board of Education
Oriskany Central School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Oriskany Central School District's 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 Oriskany Central School District's major federal programs for the year ended June 30, 2022. Oriskany Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Oriskany Central School 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 Oriskany Central School 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 Oriskany Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Oriskany Central School 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 Oriskany Central School 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 Oriskany Central School 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

D'Arcangelo + Co., LLP

October 18, 2022

Rome, New York

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Agency or Pass- through Number	Current Year Expenditures	Expenditures to Subrecipients
<u>United States Department of Education</u>				
Passed Through New York State, Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021-22-2075	\$ 123,986	\$
<u>Special Education Cluster</u>				
Special Education Grants to States	84.027	0032-22-0635	146,958	
Special Education Preschool Grants	84.173	0033-22-0635	4,773	
COVID-19-Special Education Grants to States	84.027X	5532-22-0635	30,190	
COVID-19-Special Education Preschool Grants	84.173X	5533-22-0635	3,362	
Total Special Education Cluster			<u>185,283</u>	
Student Support and Academic Enrichment Program	84.424	0204-22-2075	9,991	
Supporting Effective Instruction State Grants	84.367	0147-22-2075	18,744	
Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act				
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880-21-2075	432,878	
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5870-22-9221	115,328	
Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-2075	230,377	
Governor's Emergency Education Relief Fund	84.425C	5896-21-2075	14,596	
Total			<u>793,179</u>	
Total Department of Education			<u>1,131,183</u>	
Total Federal Awards Expended			<u>\$ 1,131,183</u>	<u>\$</u>

ORISKANY CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Oriskany Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

Cluster Programs

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Education

Special Education Cluster

AL #84.027	Special Education - Grants to States (IDEA, Part B)
AL #84.173	Special Education - Preschool Grants (IDEA Preschool)
AL #84.027X	COVID-19-Special Education - Grants to States (IDEA, Part B)
AL #84.173X	COVID-19-Special Education - Preschool Grants (IDEA Preschool)

Indirect Cost Rate

The School District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2022**

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	<u>U.S. Department of Education</u> Education Stabilization Fund AL # 84.425D Elementary and Secondary School Emergency Relief (ESSER) AL # 84.425C Governor's Emergency Education Relief Fund (GEER) AL # 84.425U American Rescue Plan – Elementary and Secondary School Emergency Relief
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2022**

(Continued)

Findings – Financial Statement Audit

No findings noted in the current year.

Findings and Questioned Costs – Major Federal Award Program Audit

No findings noted in the current year.

**ORISKANY CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS-FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2022**

Findings – Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs

None.