LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2022

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June 30, 2022

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

INDEPENDENT AUDITORS' REPORT

The Board of Education
Lewiston-Porter Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lumsden & McCormick, LLP

October 3, 2022

Management's Discussion and Analysis (unaudited)

June 30, 2022

Introduction

Management's Discussion and Analysis (MD&A) of Lewiston-Porter Central School District (the District) provides an overview of the District's financial performance and activities for the year ended June 30, 2022. The information contained in the MD&A should be considered in conjunction with the information presented in the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements, (2) governmental fund financial statements, (3) reconciliations between the government-wide and governmental fund financial statements, (4) fiduciary fund statements, (5) notes to the financial statements, and (6) supplementary information.

In 2022, the District adopted GASB Statement No. 87, Leases. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and that recognized income or expenditures, based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease as a liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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

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

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for student activity accounts. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

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

Condensed Statement of Net Position	2022	2021	Change $	Change %
Current and other assets	$ **31,196,000**	$ 10,961,000	$ 20,235,000	184.6%
Capital assets	**64,406,000**	62,248,000	2,158,000	3.5%
Total assets	**95,602,000**	73,209,000	22,393,000	30.6%
Deferred outflows of resources	**12,327,000**	12,296,000	31,000	0.3%
Long-term liabilities	**39,897,000**	38,672,000	1,225,000	3.2%
Other liabilities	**8,350,000**	10,935,000	(2,585,000)	(23.6%)
Total liabilities	**48,247,000**	49,607,000	(1,360,000)	(2.7%)
Deferred inflows of resources	**23,884,000**	6,492,000	17,392,000	267.9%
Net position				
Net investment in capital assets	**26,998,000**	25,939,000	1,059,000	4.1%
Restricted	**4,196,000**	2,782,000	1,414,000	50.8%
Unrestricted	**4,604,000**	685,000	3,919,000	572.1%
Total net position	**$ 35,798,000**	$ 29,406,000	$ 6,392,000	21.7%

Net position amounted to $35,798,000 and $29,406,000 as of June 30, 2022 and 2021, respectively. A significant portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment less outstanding debt, if any, used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

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

Total assets increased by $22,393,000 ($4,155,000 decrease in 2021). Current and other assets increased by $20,235,000 ($1,800,000 decrease in 2021), primarily as a result of the District's proportionate share of the TRS and ERS net pension positions resulting in an asset of $18,009,000 compared to a liability of $2,713,000 in 2021. Fluctuations are largely a result of changes in actuarial assumptions. Capital assets increased $2,158,000 ($2,355,000 decrease in 2021) as a result of capital spending exceeding depreciation and amortization expense.

Long-term liabilities increased by $1,225,000 ($4,600,000 decrease in 2021) as a result of the issuance of $7,630,000 in bonds to repay outstanding bond anticipation notes (BANs). This was offset by current year principal payments of $3,555,000 on outstanding bonds and also a result of the decrease of $2,713,000 in the TRS and ERS net pension liability. Other liabilities decreased $2,585,000 (decrease of $103,000 in 2021) as a result of the BAN repayments.

Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions for the State pension systems. The District has no control or authority over these transactions. Also included in deferred outflows and deferred inflows of resources are differences between expected and actual experience and changes of assumptions related to the District's total OPEB liability.

Condensed Statement of Activities	2022	2021	Change $	%
Revenues				
Program revenues				
Charges for services	**$ 239,000**	$ 224,000	$ 15,000	6.7%
Operating grants and contributions	**3,988,000**	1,862,000	2,126,000	114.2%
Capital grants and contributions	**-**	55,000	(55,000)	(100.0%)
General revenues				
Taxes and related items	**28,201,000**	27,901,000	300,000	1.1%
State aid	**18,685,000**	17,550,000	1,135,000	6.5%
Other	**1,880,000**	1,870,000	10,000	0.5%
Total revenues	**52,993,000**	49,462,000	3,531,000	7.1%
Expenses				
Instruction	**36,122,000**	39,403,000	(3,281,000)	(8.3%)
Support services				
General support	**5,939,000**	6,261,000	(322,000)	(5.1%)
Pupil transportation	**2,701,000**	2,348,000	353,000	15.0%
Food service	**818,000**	442,000	376,000	85.1%
Interest	**1,054,000**	1,087,000	(33,000)	(3.0%)
Total expenses	**46,634,000**	49,541,000	(2,907,000)	(5.9%)
Change in net position	**6,359,000**	(79,000)	6,438,000	(8149.4%)
Net position – beginning	**29,406,000**	29,485,000	(79,000)	(0.3%)
Cumulative effect of a change in accounting principle	**33,000**		33,000	
Net position – ending	**$ 35,798,000**	$ 29,406,000	$ 6,392,000	21.7%

District revenues increased $3,531,000 in 2022 (3.4% or $1,631,000 increase in 2021). The increase in operating and capital grants of $2,071,000 ($176,000 or 10.1% increase in 2021) was primarily due to an increase in grants received from the Education Stabilization Fund and the Child Nutrition Cluster of $1,296,000 and $505,000, respectively. The increase in state aid of $1,135,000 ($653,000 or 3.9% increase in 2021) was primarily due to increases in general aid of $856,000 and transportation aid of $204,000. Total expenses decreased $2,907,000 (decrease in 2021 of $46,000 or 0.1%) mainly as a result of TRS pension income of $1,001,000 in 2022, which is reflected as a negative expense, as compared to pension expense of $3,640,000 in 2021. This large decrease was offset by increases in salaries of $1,307,000 ($3,000 increase in 2021), as a result of contractual pay increases and hiring for additional positions, and in BOCES services of $480,000 ($95,000 decrease in 2021) for additional services provided.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased by $4,912,000 from $(638,000) to $4,274,000 as follows:

- Total fund revenue increased $3,556,000 or 7.2% (increase of $1,588,000 or 3.3% in 2021) and total fund expenditures increased by $6,984,000 or 14.2% (decrease of $3,363,000 or 6.3% in 2021). Revenues increased due to increases in federal and state aid, as mentioned previously. Expenditures increased due to an increase of $3,832,000 or 280.1% ($3,896,000 or 74.0% decrease in 2021) in capital outlay expenditures as spending continued on the District's 2021 capital improvement project. Salaries increased by $1,307,000 and BOCES services increased by $480,000 as previously mentioned. Additional supplies and materials and purchased services increased as well due to the schools fully re-opening for the 2022 school year.
- The general fund experienced an increase in fund balance of $1,652,000 compared to an increase in fund balance of $1,260,000 in 2021. This change was mainly attributable to increases in federal and state sources as mentioned previously in excess of expenditure increases.

General Fund Budgetary Highlights

The revenue budget for 2022 was $48,946,000 while actual revenues were $49,214,000, a favorable difference of $268,000. This difference is attributable to more miscellaneous revenue than expected.

Actual expenditures and carryover encumbrances were less than the final budget by $4,433,000 or 8.5%. The difference is attributable to many factors and many unknown items at the time the budget is prepared.

Capital Assets

	2022	2021
Land	$ 2,784,000	$ 2,784,000
Buildings and improvements	96,620,000	96,620,000
Furniture and equipment	2,844,000	2,722,000
Vehicles	141,000	141,000
Construction in progress	6,419,000	1,313,000
	108,808,000	103,580,000
Accumulated depreciation	(45,055,000)	(41,332,000)
	63,753,000	62,248,000
Right-to-use leased equipment, net	653,000	-
	$ 64,406,000	$ 62,248,000

Additions to capital assets of $5,517,000 exceed depreciation expense, amortization expense, and disposals of $3,823,000. The difference of $464,000 represents the beginning of year impact from the implementation of GASB 87.

Debt

At June 30, 2022, the District had $29,016,000 in bonds and leases outstanding, with $3,758,000 due within one year ($24,530,000 of bonds outstanding in 2021). Compensated absences and other retirement benefits were $4,514,000, with $2,149,000 expected to be paid within the following year ($4,927,000 outstanding at June 30, 2021).

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

Current Financial Issues and Concerns

The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on school districts, including its residents, employees, and vendors, none of which can be predicted. Federal revenue sources have increased due to additional pandemic-related funding, but the full extent of Federal assistance is not yet known. The District will need to plan accordingly to ensure continuity of programs upon the eventual reduction in these funds.

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

Contacting the District's Financial Management

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

Statement of Net Position

June 30, 2022

Assets	
Cash	$ 10,139,233
Accounts receivable	184,040
Due from other governments	515,813
State and federal aid receivable	2,343,426
Inventory	3,692
Net pension asset	18,009,252
Capital assets (Note 6)	109,597,794
Accumulated depreciation	(45,191,117)
Total assets	95,602,133
Deferred Outflows of Resources	
Defeasance loss	97,732
Deferred outflows of resources related to pensions	11,727,144
Deferred outflows of resources related to OPEB	502,202
Total deferred outflows of resources	12,327,078
Liabilities	
Accounts payable and accrued liabilities	1,660,261
Due to retirement systems	1,839,644
Bond anticipation notes	4,850,000
Long-term liabilities	
Due within one year:	
Leases	122,502
Bonds	3,635,000
Compensated absences and other retirement benefits	2,149,000
Due beyond one year:	
Leases	288,558
Bonds and related premiums	27,686,708
Compensated absences and other retirement benefits	2,365,000
Total OPEB liability	3,649,983
Total liabilities	48,246,656
Deferred Inflows of Resources	
Payment received in advance	725,000
Deferred inflows of resources related to pensions	22,061,096
Deferred inflows of resources related to OPEB	1,098,158
Total deferred inflows of resources	23,884,254
Net Position	
Net investment in capital assets	26,997,918
Restricted	4,196,649
Unrestricted	4,603,734
Total net position	$ 35,798,301

See accompanying notes.

Statement of Activities

For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Governmental activities				
General support	$ 5,938,887	$ 82,745	$ -	$ (5,856,142)
Instruction	36,122,321	116,416	3,039,240	(32,966,665)
Pupil transportation	2,700,548	-	-	(2,700,548)
Interest expense	1,054,324	-	-	(1,054,324)
School food service	817,857	39,349	948,741	170,233
	$ 46,633,937	$ 238,510	$ 3,987,981	(42,407,446)
General revenues				
Real property and other taxes				28,201,127
Miscellaneous				1,880,517
State aid				18,685,076
Total general revenues				48,766,720
Change in net position				6,359,274
Net position - beginning				29,406,320
Cumulative effect of a change in accounting principle (Note 2)				32,707
Net position - beginning as restated				29,439,027
Net position - ending				$ 35,798,301

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2022

	General	Capital Projects	Special Aid	Food Service	Total Governmental Funds
Assets					
Cash	$ 8,610,446	$ 222,805	$ 1,143,428	$ 162,554	**$ 10,139,233**
Accounts receivable	184,040	-	-	-	**184,040**
Due from other governments	515,813	-	-	-	**515,813**
State and federal aid receivable	811,321	24,712	1,342,855	164,538	**2,343,426**
Due from other funds, net	2,698,829	-	-	-	**2,698,829**
Inventory	-	-	-	3,692	**3,692**
Total assets	$ 12,820,449	$ 247,517	$ 2,486,283	$ 330,784	**$ 15,885,033**
Liabilities					
Accounts payable and accrued liabilities	$ 474,132	$ 981,766	$ 14,812	$ 2,551	**$ 1,473,261**
Due to retirement systems	1,839,644	-	-	-	**1,839,644**
Due to other funds, net	-	164,762	2,471,471	62,596	**2,698,829**
Bond anticipation notes	-	4,850,000	-	-	**4,850,000**
Total liabilities	2,313,776	5,996,528	2,486,283	65,147	**10,861,734**
Deferred Inflows of Resources					
Payment received in advance	725,000	-		-	**725,000**
Unavailable revenue	-	24,712	-	-	**24,712**
	725,000	24,712	-	-	**749,712**
Fund Balances					
Nonspendable	-	-	-	3,692	**3,692**
Restricted	4,196,649	-	-	-	**4,196,649**
Assigned	2,579,293	-	-	261,945	**2,841,238**
Unassigned	3,005,731	(5,773,723)	-	-	**(2,767,992)**
Total fund balances (deficit)	9,781,673	(5,773,723)	-	265,637	**4,273,587**
Total liabilities, deferred inflows of resources, and fund balances	$ 12,820,449	$ 247,517	$ 2,486,283	$ 330,784	**$ 15,885,033**

See accompanying notes.

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

June 30, 2022

Total fund balances - governmental funds		$ 4,273,587
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		64,406,677
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Net pension asset	18,009,252	
Deferred outflows of resources related to pensions	11,727,144	
Deferred inflows of resources related to pensions	(22,061,096)	7,675,300
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.		97,732
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:		
Deferred outflows of resources related to OPEB	502,202	
Total OPEB liability	(3,649,983)	
Deferred inflows of resources related to OPEB	(1,098,158)	(4,245,939)
Certain revenues collected more than 90 days after year end are not considered available until received in the governmental funds but are recognized when earned in the government-wide statements.		24,712
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:		
Leases	(411,060)	
Bonds and related premiums	(31,321,708)	
Accrued interest	(187,000)	
Compensated absences and other retirement benefits	(4,514,000)	(36,433,768)
Net position - governmental activities		$ 35,798,301

See accompanying notes.

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

For the year ended June 30, 2022

	General	Capital Projects	Special Aid	Food Service	Total Governmental Funds
Revenues					
Real property taxes	$ 25,351,388	$ -	$ -	$ -	**$ 25,351,388**
Real property tax items	2,849,739	-	-	-	**2,849,739**
Charges for services	116,416	-	-	-	**116,416**
Use of money and property	95,400	-	-	-	**95,400**
Sale of property and compensation for loss	30	-	-	-	**30**
Miscellaneous	1,786,734	-	-	-	**1,786,734**
State sources	18,685,076	-	447,931	13,482	**19,146,489**
Federal sources	329,318	-	2,261,991	935,259	**3,526,568**
Sales	-	-	-	39,349	**39,349**
Total revenues	49,214,101	-	2,709,922	988,090	**52,912,113**
Expenditures					
General support	5,309,083	-	-	811,022	**6,120,105**
Instruction	24,770,331	-	2,582,103	-	**27,352,434**
Pupil transportation	2,621,641	-	62,065	-	**2,683,706**
Employee benefits	9,403,435	-	120,915	-	**9,524,350**
Debt service					
Principal	4,127,928	-	-	-	**4,127,928**
Interest	1,255,464	-	-	-	**1,255,464**
Capital outlay	-	5,199,784	-	-	**5,199,784**
Total expenditures	47,487,882	5,199,784	2,765,083	811,022	**56,263,771**
Excess revenues (expenditures)	1,726,219	(5,199,784)	(55,161)	177,068	**(3,351,658)**
Other financing sources (uses)					
Lease proceeds	-	92,590	-	-	**92,590**
Proceeds from issuance of debt	-	7,630,000	-	-	**7,630,000**
Bond premiums	81,098	-	-	-	**81,098**
BANs redeemed from appropriations	-	460,000	-	-	**460,000**
Operating transfers, net	(155,161)	100,000	55,161	-	**-**
Total other financing sources (uses)	(74,063)	8,282,590	55,161	-	**8,263,688**
Net change in fund balances	1,652,156	3,082,806	-	177,068	**4,912,030**
Fund balances (deficit) - beginning	8,129,517	(8,856,529)	-	88,569	**(638,443)**
Fund balances (deficit) - ending	$ 9,781,673	$ (5,773,723)	$ -	$ 265,637	**$ 4,273,587**

See accompanying notes.

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

For the year ended June 30, 2022

Total net change in fund balances - governmental funds		$ 4,912,030
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense.		1,694,627
Pension expense is recognized when paid on the fund statements of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
2022 TRS and ERS contributions	2,336,268	
2022 ERS accrued contribution	122,480	
2021 ERS accrued contribution	(157,825)	
2022 TRS pension income	1,000,958	
2022 ERS pension expense	(167,813)	3,134,068
OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		59,071
Leases are recorded as other financing sources in the governmental funds but increase long-term liabilities in the statement of net position.		(92,590)
Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position.		3,667,928
Debt proceeds are recorded as other financing sources in governmental funds but increase long-term liabilities in the statement of net position.		(7,630,000)
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Amortization of bond premiums and defeasance loss	303,140	
Compensated absences and other retirement benefits	413,000	
Interest	(102,000)	614,140
Change in net position - governmental activities		$ 6,359,274

See accompanying notes.

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

For the year ended June 30, 2022

	Budgeted Amounts		Actual		Variance with
	Original	Final	(Budgetary Basis)	Encumbrances	Final Budget Over/(Under)
Revenues					
Local sources					
Real property taxes	$ 28,085,639	$ 28,085,639	$ 25,351,388		$ (2,734,251)
Real property tax items	87,885	87,885	2,849,739		2,761,854
Charges for services	223,500	223,500	116,416		(107,084)
Use of money and property	139,000	139,000	95,400		(43,600)
Sale of property and compensation for loss	50	50	30		(20)
Miscellaneous	1,595,638	1,595,638	1,786,734		191,096
State sources	18,470,190	18,470,190	18,685,076		214,886
Federal sources	344,011	344,011	329,318		(14,693)
Total revenues	48,945,913	48,945,913	49,214,101		268,188
Expenditures					
General support					
Board of education	139,653	165,799	146,603	-	(19,196)
Central administration	258,110	277,281	275,375	-	(1,906)
Finance	489,078	547,779	503,682	-	(44,097)
Staff	281,010	368,406	360,035	-	(8,371)
Central services	3,696,929	4,031,935	3,612,036	298,221	(121,678)
Special items	533,824	461,211	411,352	-	(49,859)
Instruction					
Instruction, administration, and improvement	2,105,563	2,094,243	1,912,069	-	(182,174)
Teaching - regular school	13,333,113	13,407,619	12,972,002	1,709	(433,908)
Programs for children with handicapping conditions	6,811,782	6,771,443	5,892,688	1,020	(877,735)
Occupational education	850,660	850,660	825,170	-	(25,490)
Teaching - special schools	110,993	104,540	67,636	-	(36,904)
Instructional media	859,238	984,173	963,209	-	(20,964)
Pupil services	2,245,912	2,346,866	2,137,557	28,343	(180,966)
Pupil transportation	4,497,975	4,337,466	2,621,641	-	(1,715,825)
Employee benefits	10,756,351	10,096,955	9,403,435	-	(693,520)
Debt service					
Principal	4,035,844	4,148,772	4,127,928	-	(20,844)
Interest	1,244,738	1,255,464	1,255,464	-	-
Total expenditures	52,250,773	52,250,612	47,487,882	329,293	(4,433,437)
Excess revenues (expenditures)	(3,304,860)	(3,304,699)	1,726,219	(329,293)	4,701,625
Other financing sources (uses)					
Bond premiums	-	-	81,098		81,098
Operating transfers out	(155,000)	(155,161)	(155,161)		-
Appropriated fund balance, reserves, and encumbrances	3,459,860	3,459,860	-		(3,459,860)
Total other financing sources (uses)	3,304,860	3,304,699	(74,063)		(3,378,762)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ 1,652,156	$ (329,293)	$ 1,322,863

See accompanying notes.

LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2022

Assets	
Cash	**$ 99,741**
Net Position	
Extraclassroom activity balances	**$ 99,741**

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LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2022

Additions	
Student activity additions	**$ 143,475**
Deductions	
Student activity deductions	**147,842**
Change in net position	**(4,367)**
Net position - beginning	**104,108**
Net position - ending	**$ 99,741**

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Joint Venture

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

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

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

During the year ended June 30, 2022, the District was billed $5,222,000 for BOCES administrative and program costs and recognized revenue of $332,000 as a refund from prior year expenditures paid to BOCES. Audited financial statements are available from BOCES' administrative offices.

Basis of Presentation

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

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

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

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *Special aid fund*. This fund is used to account for the proceeds of specific revenue sources - other than expendable trusts or major capital projects - such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.

The District also elected to display the following as a major fund:

- *Food service fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.

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

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

Basis of Accounting and Measurement Focus

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2022, the tax lien was issued on August 9, 2021 for collection from September 1, 2021 through October 30, 2021. Thereafter, uncollected amounts became the responsibility of Niagara County and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2021 was approved by a majority of the voters in a general election held on May 18, 2021.

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

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

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

Inventory

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

Capital Assets

Capital assets are generally reported at actual or estimated historical cost based on appraisals. Financed right-to-use lease assets are recorded at the present value of the lease liability. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

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

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

Bond Defeasances

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

Payment Received in Advance

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

Unavailable Revenue

On a fund basis, deferred inflows of resources include receivables from State grants not yet considered available to the District as amounts were not received within ninety days of the District's year end.

Bond Premiums

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

Pensions

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

Other Postemployment Benefits (OPEB)

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

Compensated Absences

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

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

Other Retirement Benefits

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

Equity Classifications

Government-Wide Statements

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

Governmental Fund Statements

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

Fund balance is categorized as follows:

Nonspendable:		
Inventory	$	3,692
Restricted:		
Capital		1,500,000
Retirement contribution		750,000
Employee benefit accrued liability		60,584
Repair		511,317
Debt service		81,098
Tax certiorari		1,293,650
Assigned:		
Designated for subsequent year		2,250,000
Encumbrances		329,293
Food service		261,945
Unassigned		(2,767,992)
	$	4,273,587

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

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

Fund balance restrictions include the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both establishment of the reserve and payments from the reserve. During 2016, voters approved a capital reserve for $3,500,000, plus interest earnings, over 10 years. To date, $1,986,289 has been funded.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. Funding for TRS is limited to 2% annually of eligible salaries up to a maximum reserve of 10% of eligible salaries. At June 30, 2022, the retirement contribution reserve includes $550,000 for TRS and $200,000 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment and requires a public hearing for its use.
- *Debt service* - is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Tax certiorari* – is used to pay judgments and claims resulting from certiorari proceedings. Funds not used by July 1 of the fourth fiscal year following their deposit must be returned to unassigned fund balance.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end.

Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

Interfund Balances

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

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

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

2. Change in Accounting Principle

Effective July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The impact of these required accounting changes on the District's government-wide activity is as follows:

Net position, July 1, 2021	$ 29,406,320
Right-to-use lease assets	500,419
Accumulated amortization	(36,314)
Lease liability	(431,398)
Net position, as restated, July 1, 2021	$ 29,439,027

3. Stewardship and Compliance

The District's unassigned fund balance in the general fund exceeds 4% of the 2023 expenditure budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

The capital projects deficit fund balance of $5,773,723 will be funded when bond anticipation notes are converted to permanent financing.

4. Cash

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

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2022, the District's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' trust departments or agents in the District's name.

5. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
General	$ 3,344,573	$ 645,744	$ -	$ 155,161
Special aid	-	2,471,471	55,161	-
Capital projects	615,749	780,511	100,000	-
Food service	2,404	65,000	-	-
	$ 3,962,726	$ 3,962,726	$ 155,161	$ 155,161

The District's general fund provides cash flow to the various other funds; these amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. The general fund made a permanent transfer to the special aid fund to cover its share of costs related to the summer school handicap program and a permanent transfer to the capital projects fund to cover costs of the 2021 capital improvement project.

6. Capital Assets

	July 1, 2021 (As Restated)	Increases	Retirements/ Reclassifications	June 30, 2022
Non-depreciable and non-amortizable capital assets:				
Land	$ 2,783,527	$ -	$ -	$ 2,783,527
Construction in progress	1,312,704	5,107,194	-	6,419,898
Total non-depreciable and non-amortizable assets	4,096,231	5,107,194	-	9,203,425
Depreciable capital assets:				
Buildings and improvements	96,619,504	-	-	96,619,504
Furniture and equipment	2,722,366	121,767	-	2,844,133
Vehicles	141,619	-	-	141,619
Total depreciable assets	99,483,489	121,767	-	99,605,256
Less accumulated depreciation:				
Buildings and improvements	39,664,336	3,360,345	-	43,024,681
Furniture and equipment	1,577,587	353,457	-	1,931,044
Vehicles	89,852	9,135	-	98,987
Total accumulated depreciation	41,331,775	3,722,937	-	45,054,712
Total depreciable assets, net	58,151,714	(3,601,170)	-	54,550,544
Right-to-use lease assets:				
Equipment	500,419	288,694	-	789,113
Less accumulated amortization	36,314	100,091	-	136,405
Total right-to-use assets, net	464,105	188,603	-	652,708
	$ 62,712,050	$ 1,694,627	$ -	$ 64,406,677

Depreciation expense has been allocated to the following functions: general support $93,073, instruction $3,723,120, and school food service $6,835.

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

Capital assets, net of accumulated depreciation	$ 64,406,677
Defeasance loss	97,732
Bond anticipation notes and other liabilities	(5,773,723)
Lease liability	(411,060)
Bonds and related premiums	(31,321,708)
	$ 26,997,918

7. Short-Term Debt

Aggregate bond anticipation notes (BANs) outstanding at June 30, 2022 amount to $4,850,000 ($8,090,000 at June 30, 2021), carry interest at 1.00% (1.25% at June 30, 2021), and mature in July 2022. In 2022, $460,000 of outstanding BANs were redeemed from appropriations, $7,630,000 was converted to permanent financing, and new BANs of $4,850,000 were issued. BANs continue to be used for ongoing capital projects and will be renewed until such time that permanent financing is obtained.

In July 2022, the District redeemed $795,000 of the existing BANs from appropriations and repaid the balance from the issuance of new BANs totaling $12,305,000. Such BANs carry interest at 3.5% and mature in July 2023.

8. Long-Term Liabilities

	July 1, 2021 (As Restated)	Increases	Decreases	June 30, 2022	Amount Due in One Year
Leases	$ 431,398	$ 92,590	$ 112,928	$ 411,060	$ 122,502
Bonds	24,530,000	7,630,000	3,555,000	28,605,000	3,635,000
Premiums on bonds	3,052,426	-	335,718	2,716,708	-
Compensated absences and other retirement benefits	4,927,000	-	413,000	4,514,000	2,149,000
	$ 32,940,824	$ 7,722,590	$ 4,416,646	$ 36,246,768	$ 5,906,502

Existing Obligations

Description	Maturity	Rate	Balance
Refunding Serial Bonds - 2016	June 2023	2.00%-4.00%	$ 615,000
Serial Bonds - 2017	June 2029	2.00%-2.75%	1,430,000
Refunding Serial Bonds - 2017	June 2025	2.00%-5.00%	2,390,000
DASNY Bonds - 2018	June 2033	5.00%	16,540,000
Serial Bonds - 2022	June 2035	2.00%-3.00%	7,630,000
Equipment Lease - 2019	June 2024	1.93%	26,597
Equipment Lease - 2020	June 2025	1.39%	48,083
Equipment Lease - 2021	June 2024-2026	1.94%-2.38%	257,878
Equipment Lease - 2022	June 2025-2027	3.74%-3.83%	78,502
			$ 29,016,060

Debt Service Requirements

	Bonds		Leases	
Years ending June 30,	Principal	Interest	Principal	Interest
2023	$ 3,635,000	$ 1,216,595	$ 122,502	$ 8,754
2024	2,910,000	1,042,094	123,154	5,800
2025	2,945,000	917,750	101,528	3,016
2026	2,285,000	795,375	63,876	773
2027	2,380,000	700,811	-	-
2028-2032	11,915,000	1,910,948	-	-
2033-2035	2,535,000	116,325	-	-
	$ 28,605,000	$ 6,699,898	$ 411,060	$ 18,343

Subsequent to year end, in July 2022, the District entered into a financing agreement for a rooftop panel energy performance project totaling $1,506,000 at an interest rate of 3.4% with payments through June 2038.

9. Pension Plans

Plan Descriptions

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

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

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

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.80% for 2022. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2022, these rates ranged from 10.7% - 18.3%.

The amount outstanding and payable to TRS for the year ended June 30, 2022 was $1,738,457. A liability to ERS of $122,480 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2022.

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

At June 30, 2022, the District reported an asset of $17,205,472 for its proportionate share of the TRS net pension position and an asset of $803,780 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures applied to roll forward the total pension liability to June 30, 2021. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2021, the District's proportion was 0.099287%, an increase of 0.001449 from its proportion measured as of June 30, 2020.

The ERS total pension liability at the March 31, 2022 measurement date was determined by an actuarial valuation as of April 1, 2021, with update procedures applied to roll forward the total pension liability to March 31, 2022. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2022, the District's proportion was 0.0098327%, a decrease of 0.0001265 from its proportion measured as of March 31, 2021.

For the year ended June 30, 2022, the District recognized pension income of $833,145 on the government-wide statements (TRS income of $1,000,958 and ERS expense of $167,813). At June 30, 2022, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,371,592	$ (89,390)	$ 60,871	$ (78,954)
Changes of assumptions	5,659,239	(1,002,168)	1,341,419	(22,635)
Net difference between projected and actual earnings on pension plan investments	-	(18,007,307)	-	(2,632,043)
Changes in proportion and differences between contributions and proportionate share of contributions	113,107	(190,839)	319,979	(37,760)
District contributions subsequent to the measurement date	1,738,457	-	122,480	-
	$ 9,882,395	$ (19,289,704)	$ 1,844,749	$ (2,771,392)

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

Years ending June 30,	TRS	ERS
2023	$ (2,234,121)	$ (97,528)
2024	(2,644,149)	(213,595)
2025	(3,322,558)	(622,928)
2026	(4,333,095)	(115,072)
2027	819,964	-
Thereafter	568,193	-
	$ (11,145,766)	$ (1,049,123)

Actuarial Assumptions

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

Inflation – 2.4%
Salary increases – Based on TRS member experience, dependent on service, ranging from 1.95%-5.18%
Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually
Investment rate of return – 6.95% compounded annually, net of investment expense, including inflation
Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020, applied on a generational basis
Discount rate – 6.95%

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

For ERS, the actuarial assumptions used in the April 1, 2021 valuation, with update procedures used to roll forward the total pension liability to March 31, 2022, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.7%
Salary increases – 4.4%
COLA – 1.4% annually
Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2020
Discount rate – 5.9%

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

Investment Asset Allocation

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

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

Discount Rate

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

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	$ 1,805,463	$ 17,205,472	$ 30,148,062
District's proportionate share of the ERS net pension asset (liability)	$ (2,068,921)	$ 803,780	$ 3,206,656

10. OPEB

Plan Description

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

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

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

Total OPEB Liability

The District's total OPEB liability of $3,649,983 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020, with update procedures to roll forward the total OPEB liability to June 30, 2021.

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

Healthcare cost trend rates – based on the National Health Expenditure Projections 2012-2028 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2021b for long-term rates, initially 6.75% with an ultimate rate of 3.78% after 2075
Salary increases – 3.00%
Mortality – Headcount-weighted Pub-2010 mortality tables for employees and healthy annuitants, and then adjusted for mortality improvements with Scale MP-2020 on a fully generational basis
Discount rate – 1.92% based on the Fidelity Municipal General Obligation AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.25%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	$ 3,449,086
Changes for the year:	
Service cost	178,434
Interest	86,141
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	159,447
Benefit payments	(223,125)
Net changes	200,897
Balance at June 30, 2022	$ 3,649,983

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

	1.0% Decrease (0.92%)	Discount Rate (1.92%)	1.0% Increase (2.92%)
Total OPEB liability	$ (3,880,099)	$ (3,649,983)	$ (3,424,761)

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

	1.0% Decrease (5.75% to 2.78%)	Healthcare Cost Trend Rate (6.75% to 3.78%)	1.0% Increase (7.75% to 4.78%)
Total OPEB liability	$ (3,248,354)	$ (3,649,983)	$ (4,117,107)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2022, the District recognized OPEB expense of $134,833. At June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 55,930	$ (552,308)
Changes of assumptions or other inputs	252,368	(545,850)
Benefits paid subsequent to the measurement date	193,904	-
	$ 502,202	$ (1,098,158)

Benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2023	$ (129,742)
2024	(129,742)
2025	(129,742)
2026	(122,401)
2027	(122,185)
Thereafter	(156,048)
	$ (789,860)

11. Risk Management

General Liability

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

12. Commitments and Contingencies

Grants

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

Commitments

The District's taxpayers have approved a capital improvement project that remains in progress at year end and is expected to cost $17,250,000. As of June 30, 2022, $5,963,000 has been expended on the project and numerous open contracts are in place.

Litigation

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

13. Risks and Uncertainties

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

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

As of the measurement date of June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.099287%	0.097838%	0.099233%	0.099705%	0.095644%	0.094954%	0.097490%	0.096645%	0.102608%
District's proportionate share of the net pension asset (liability)	$ 17,205,472	$ (2,703,528)	$ 2,578,092	$ 1,802,933	$ 726,989	$ (1,016,996)	$10,126,072	$10,765,666	$ 675,420
District's covered payroll	$ 16,846,002	$16,606,208	$16,563,682	$16,192,316	$15,154,386	$14,750,234	$14,569,785	$14,275,994	$15,143,716
District's proportionate share of the net pension position as a percentage of its covered payroll	102.13%	16.28%	15.56%	11.13%	4.80%	6.89%	69.50%	75.41%	4.46%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%
The following is a summary of changes of assumptions:									
Inflation	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

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

For the years ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,738,457	$ 1,605,424	$ 1,471,310	$ 1,759,063	$ 1,586,847	$ 1,776,094	$ 1,955,881	$ 2,567,141	$ 2,319,849	$ 1,793,016
Contribution in relation to the contractually required contribution	(1,738,457)	(1,605,424)	(1,471,310)	(1,759,063)	(1,586,847)	(1,776,094)	(1,955,881)	(2,567,141)	(2,319,849)	(1,793,016)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 17,739,357	$16,846,002	$16,606,208	$16,563,682	$16,192,316	$15,154,386	$14,750,234	$14,569,785	$14,275,994	$15,143,716
Contributions as a percentage of covered payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.62%	16.25%	11.84%

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

As of the measurement date of March 31,	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0098327%	0.0099592%	0.0098604%	0.0107156%	0.0113482%	0.0114654%	0.0110517%	0.0108907%
District's proportionate share of the net pension asset (liability)	$ 803,780	$ (9,917)	$ (2,611,091)	$ (759,230)	$ (366,256)	$ (1,077,312)	$ (1,773,822)	$ (367,916)
District's covered payroll	$ 3,693,066	$ 3,886,279	$ 3,731,558	$ 3,794,465	$ 3,813,204	$ 3,837,314	$ 3,479,173	$ 3,519,424
District's proportionate share of the net pension position as a percentage of its covered payroll	21.76%	0.26%	69.97%	20.01%	9.60%	28.07%	50.98%	10.45%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
The following is a summary of changes of assumptions:								
Inflation	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

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

For the years ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 597,811	$ 568,103	$ 545,243	$ 564,829	$ 577,550	$ 595,001	$ 666,905	$ 603,545	$ 807,229	$ 744,429
Contribution in relation to the contractually required contribution	(597,811)	(568,103)	(545,243)	(564,829)	(577,550)	(595,001)	(666,905)	(603,545)	(807,229)	(744,429)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,693,066	$ 3,886,279	$ 3,731,558	$ 3,794,465	$ 3,813,204	$ 3,837,314	$ 3,479,173	$ 3,519,424	$ 3,940,499	$ 3,987,375
Contributions as a percentage of covered payroll	16.19%	14.62%	14.61%	14.89%	15.15%	15.51%	19.17%	17.15%	20.49%	18.67%

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

June 30,	2022	2021	2020	2019	2018
Total OPEB liability - beginning	$ 3,449,086	$ 4,632,950	$ 4,221,658	$ 2,304,643	$ 2,278,360
Changes for the year:					
Service cost	178,434	250,436	222,798	121,044	130,769
Interest	86,141	149,638	158,198	84,898	69,424
Changes of benefit terms	-	-	-	1,709,100	-
Differences between expected and actual experience	-	(731,338)	-	106,318	-
Changes of assumptions or other inputs	159,447	(647,367)	178,986	(22,498)	(110,703)
Benefit payments	(223,125)	(205,233)	(148,690)	(81,847)	(63,207)
Net change in total OPEB liability	200,897	(1,183,864)	411,292	1,917,015	26,283
Total OPEB liability - ending	$ 3,649,983	$ 3,449,086	$ 4,632,950	$ 4,221,658	$ 2,304,643
Covered-employee payroll	$ 20,861,172	$ 20,618,317	$ 20,136,786	$ 21,089,380	$ 20,501,000
Total OPEB liability as a percentage of covered-employee payroll	17.5%	16.7%	23.0%	20.0%	11.2%

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

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

The following is a summary of changes of assumptions:

Healthcare cost trend rates	6.75%-3.78%	6.50%-3.78%	6.75%-3.78%	7.00%-3.89%	7.25%-3.89%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%
Salary increases	3.0%	3.0%	3.0%	3.0%	3.0%
Discount rate	1.92%	2.45%	3.13%	3.62%	3.56%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2017	MP-2017

Data prior to 2018 is unavailable.

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

For the year ended June 30, 2022

Original expenditure budget	$ 51,195,913
Encumbrances carried over from prior year	1,209,860
Revised expenditure budget	$ 52,405,773

* * *

Unrestricted Fund Balance	
Assigned	$ 2,579,293
Unassigned	3,005,731
	5,585,024
Encumbrances included in assigned fund balance	(329,293)
Appropriated fund balance used for tax levy	(2,250,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 3,005,731
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2023 expenditure budget (unaudited)	$ 53,117,598
4% of budget	2,124,704
Actual percentage of 2023 expenditure budget	5.7%

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2022

Project Title	Original Budget	Revised Budget	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
Smart Schools Bond Act	$ 1,354,745	$ 1,354,745	$ 1,331,048	$ -	$ 1,331,048	$ 23,697
2021 Capital Improvement Project	17,250,000	17,250,000	855,523	5,107,194	5,962,717	11,287,283
Total	$ 18,604,745	$ 18,604,745	$ 2,186,571	$ 5,107,194	$ 7,293,765	$ 11,310,980

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures	
U.S. Department of Homeland Security:				
Passed Through New York State Department of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance	97.036	659916	$ 41,749	
U.S. Department of Education:				
Passed Through New York State Education Department				
Special Education Cluster:				
Special Education Grants to States	84.027	0032-22-0602	540,571	
COVID-19 Special Education Grants to States	84.027	0033-22-0602	104,415	
Special Education Preschool Grants	84.173	5532-22-0602	17,143	
Total Special Education Cluster			662,129	
Title I Grants to Local Educational Agencies	84.010	0021-22-1945	235,919	
Supporting Effective Instruction State Grants	84.367	0147-22-1945	17,233	
Supporting Effective Instruction State Grants	84.367	0147-21-1945	19,878	
Student Support and Academic Enrichment Program	84.424	0204-22-1945	6,439	
Student Support and Academic Enrichment Program	84.424	0204-21-1945	6,524	
Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	5895-21-1945	8,381	1
Governor's Emergency Education Relief Fund	84.425C	5896-21-1945	19,420	1
Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-1945	746,540	1
Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-1945	100,056	1
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-1945	547,909	1
Total U.S. Department of Education			2,370,428	
U.S. Department of Agriculture:				
Passed Through New York State Education Department				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	108,223	2
National School Lunch Program	10.555	N/A	734,296	2
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	2,404	
Passed Through New York State Office of General Services				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	90,336	2
Total U.S. Department of Agriculture			935,259	
Total Expenditures of Federal Awards			$ 3,347,436	

[1] *Total Education Stabilization Fund - $1,422,306*
[2] *Total Child Nutrition Cluster - $932,855*

See accompanying notes.

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

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

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

Indirect Costs

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

Non-Monetary Federal Program

The District is the recipient of a federal award program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2022, the District used $90,336 worth of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

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

The Board of Education
Lewiston-Porter Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Lewiston-Porter Central School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 3, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lumsden & McCormick, LLP

October 3, 2022

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CERTIFIED PUBLIC ACCOUNTANTS
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p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

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

The Board of Education
Lewiston-Porter Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Lumsden & McCormick, LLP

October 3, 2022

Schedule of Findings and Questioned Costs

For the year ended June 30, 2022

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Child Nutrition Cluster:		
National School Lunch Program	10.555	$ 824,632
School Breakfast Program	10.553	108,223
		932,855
Education Stabilization Fund	84.425	1,422,306
		$ 2,355,161

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.