

CANASERAGA CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2022



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Canaseraga Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Canaseraga Central School District, New York, 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 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Canaseraga Central School District, New York, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Canaseraga Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Canaseraga Central School District's 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 after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 50-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Canaseraga Central School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

As described in Note II to the financial statements, the District adopted GASB Statement No. 87, *Leases*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022 on our consideration of Canaseraga Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Canaseraga Central School District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 13, 2022

Canaseraga Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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

Financial Highlights

At the close of the fiscal year, the total assets plus deferred outflows (what the district owns) exceeded its total liabilities plus deferred inflows (what the district owes) by \$10,783,007 (net position) an increase of \$883,632 from the prior year.

General revenues which include State and Federal Aid, Property Taxes, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$6,942,542 or 85% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$1,221,320 or 15% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$3,544,742 a decrease of \$2,318,185 in comparison with the prior year.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal 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 related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund, Capital Projects Fund, and Miscellaneous Special Revenue Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the capital projects fund, and the special aid fund, which are reported as major funds. Data for the school lunch fund, debt service fund, and the miscellaneous special revenue fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<u>Major Feature of the District-Wide and Fund Financial Statements</u>			
	<u>Government-Wide Statements</u>	<u>Fund Financial Statements</u>	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education, scholarship programs, and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District as a Whole

Net position

The District's combined net position was greater on June 30, 2022, than it was the year before, increasing to \$10,783,007 as shown in table below.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2022</u>	<u>2021</u>	<u>Variance</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 9,830,019	\$ 7,709,568	\$ 2,120,451
Capital Assets	12,644,626	10,207,133	2,437,493
Total Assets	\$ 22,474,645	\$ 17,916,701	\$ 4,557,944
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	\$ 2,131,312	\$ 2,057,263	\$ 74,049
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 5,955,108	\$ 7,121,665	\$ (1,166,557)
Other Liabilities	4,152,696	1,851,155	2,301,541
Total Liabilities	\$ 10,107,804	\$ 8,972,820	\$ 1,134,984
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	\$ 3,715,146	\$ 1,127,517	\$ 2,587,629
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 6,116,179	\$ 6,106,617	\$ 9,562
<u>Restricted For,</u>			
Unemployment Reserve	921,056	919,743	1,313
Capital Reserve	2,941,096	2,532,670	408,426
Other Purposes	1,472,579	1,396,935	75,644
Unrestricted	(667,903)	(1,082,338)	414,435
Total Net Position	\$ 10,783,007	\$ 9,873,627	\$ 909,380

Key Variances

- The New York Employee and Teachers Retirement Systems both reported a net pension asset in the current year which impacts the current and other assets, long-term obligations, deferred inflows and deferred outflows. In addition, capital outlay and debt repayment were greater than depreciation which impacts capital assets and net investment in capital assets.
- Other Liabilities increased for short-term BAN's relating to their capital projects.

The District's financial position is the product of many factors.

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are three restricted net asset balances Unemployment Reserve, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$667,903.

Changes in Net position

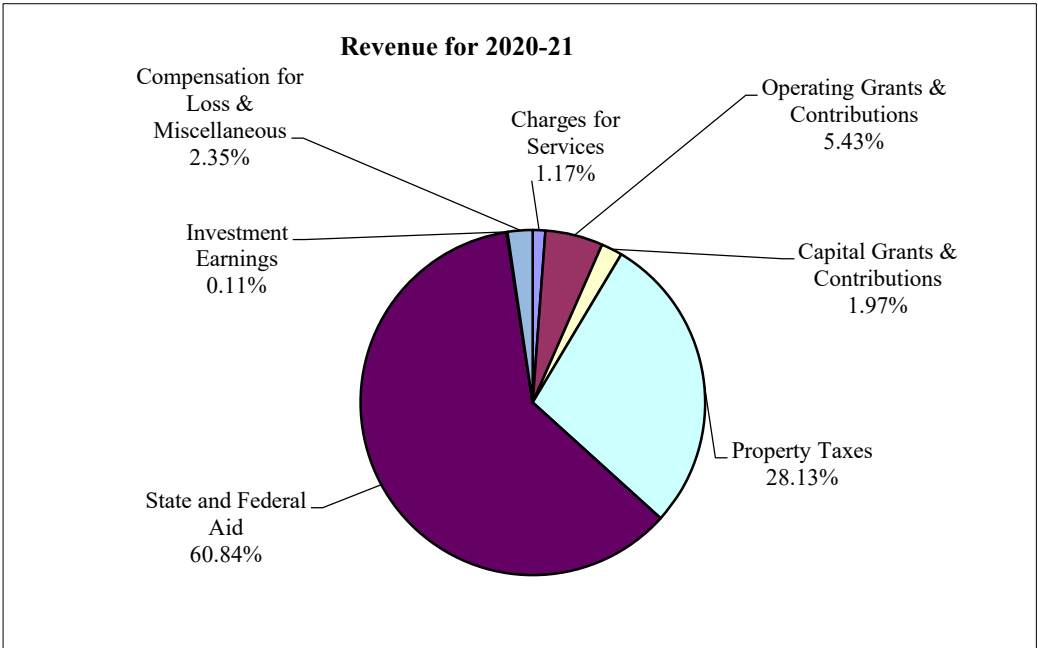
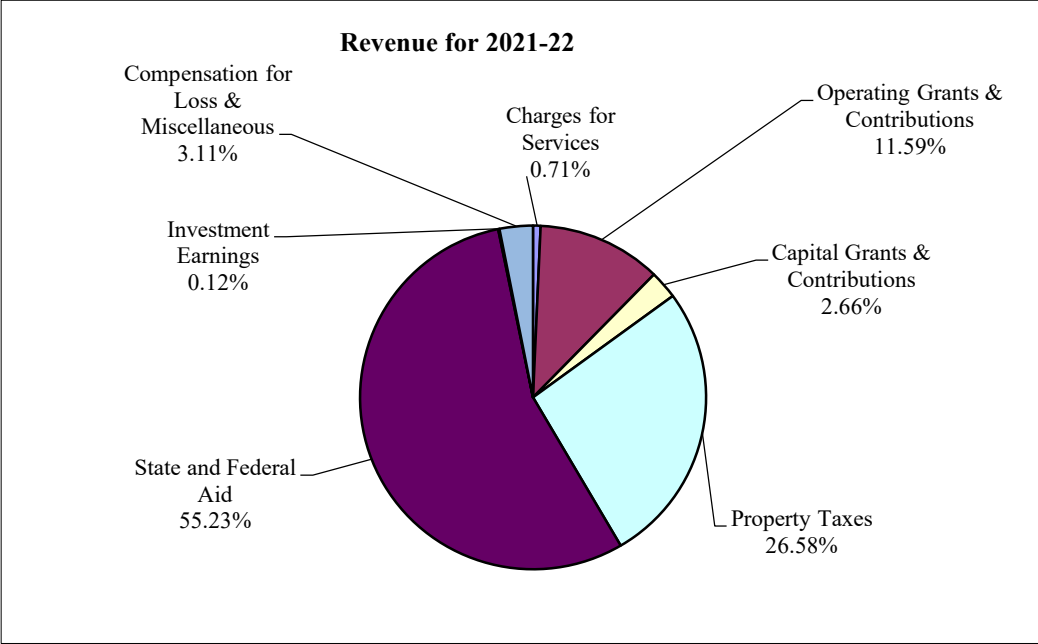
The District’s total revenue increased to \$8,163,862. State and federal aid 55% and property taxes 27% accounted for most of the District’s revenue. The remaining 18% of the revenue comes from operating grants, capital grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues.

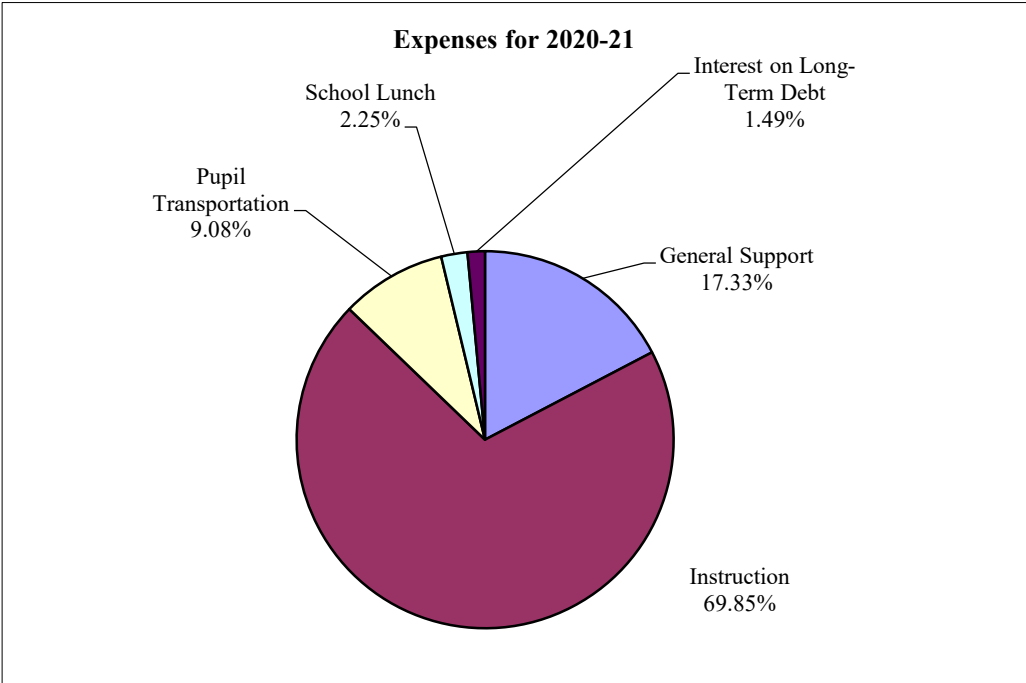
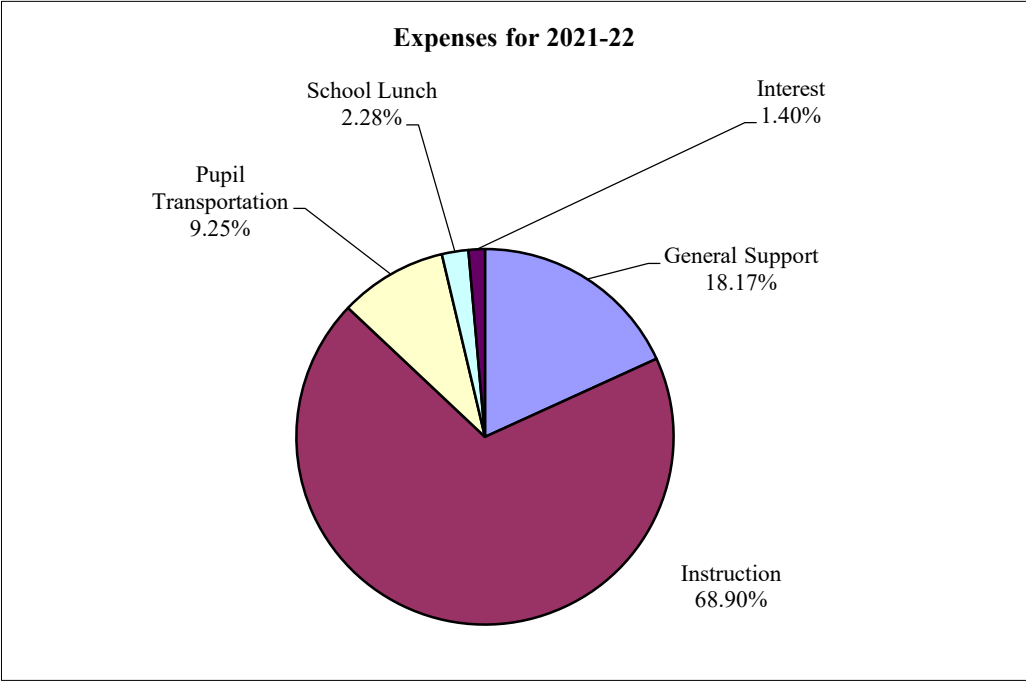
The total cost of all the programs and services decreased to \$7,280,230. The District’s expenses are predominately related to education and caring for the students (Instruction) 69%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 18% of the total costs. See table below:

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2022</u>	<u>2021</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 58,259	\$ 88,329	\$ (30,070)
Operating Grants & Contributions	945,918	411,279	534,639
Capital Grants & Contributions	217,143	149,180	67,963
Total Program	\$ 1,221,320	\$ 648,788	\$ 572,532
<u>General -</u>			
Property Taxes	\$ 2,169,871	\$ 2,128,662	\$ 41,209
State and Federal Aid	4,509,225	4,604,351	(95,126)
Investment Earnings	9,510	8,207	1,303
Compensation for Loss	1,713	623	1,090
Miscellaneous	252,223	177,429	74,794
Total General	\$ 6,942,542	\$ 6,919,272	\$ 23,270
TOTAL REVENUES	\$ 8,163,862	\$ 7,568,060	\$ 595,802
<u>EXPENSES:</u>			
General Support	\$ 1,321,870	\$ 1,261,749	\$ 60,121
Instruction	5,017,213	5,086,199	(68,986)
Pupil Transportation	673,034	661,384	11,650
School Lunch	166,177	163,586	2,591
Interest	101,936	108,906	(6,970)
TOTAL EXPENSES	\$ 7,280,230	\$ 7,281,824	\$ (1,594)
INCREASE IN NET POSITION	\$ 883,632	\$ 286,236	
NET POSITION, BEGINNING OF YEAR	9,899,375	9,587,391	
NET POSITION, END OF YEAR	\$ 10,783,007	\$ 9,873,627	
GASB 87 Restatement		25,748	
2021 RESTATED NET POSITION		\$ 9,899,375	

Key Variances

- The District received and spent federal stimulus funds which increased operating grants and contributions.
- The New York State Teachers Retirement System and Employee Retirement System both reported a net pension asset which reduces instructional expenditures in the current year.





Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$3,544,742 which is less than last year's ending fund balance of \$5,862,927.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$6,537,193. Fund balance for the General Fund increased by \$403,484 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2022</u>	<u>2021</u>	<u>Total Variance</u>
Restricted	\$ 5,295,937	\$ 4,849,204	\$ 446,733
Assigned	541,256	529,105	12,151
Unassigned	700,000	755,400	(55,400)
Total General Fund Balances	<u>\$ 6,537,193</u>	<u>\$ 6,133,709</u>	<u>\$ 403,484</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$183,577. This change is attributable to \$70,105 of carryover encumbrances from the 2020-21 school year, and \$113,472 for bus special vote.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
State Sources	(\$228,467)	The variances are NYS adjustments in aid and/or higher projected expenses in the District's state reporting.
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Teaching-Regular School	\$146,823	Federal grants help support some of our intervention salaries and programs
Programs for Handicapped Children	\$302,727	The District budgets conservatively in this line item due to the potential influx in students with high needs.
Employee Benefits	\$331,104	Budgeting to cover any sharp increases in benefits costs, and if employees elect to take health insurance who previously had insurance elsewhere.
Transfers-Out	\$103,270	The increase in transfer category is due to an emergency capital project to temporarily replace the school building fuel oil tank.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2022 fiscal year, the District had invested \$12,604,724 in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2022</u>	<u>2021</u>
<u>Capital Assets</u>		
Land	\$ 6,788	\$ 6,788
Work in Progress	4,028,447	1,175,516
Buildings and Improvements	8,011,511	8,469,644
Machinery and Equipment	557,978	555,185
Total Capital Assets	<u>\$ 12,604,724</u>	<u>\$ 10,207,133</u>
<u>Lease Assets</u>		
Equipment	\$ 39,902	\$ 25,748
Total Lease Assets	<u>\$ 39,902</u>	<u>\$ 25,748</u>

More detailed information can be found in the notes to the financial statements.

Long-Term Debt

At year end, the District had \$5,955,108 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2022</u>	<u>2021</u>
Serial Bonds	\$ 3,360,000	\$ 3,785,000
OPEB	2,545,636	2,961,528
Net Pension Liability	-	322,386
Compensated Absences	49,472	52,751
Total Long-Term Obligations	<u>\$ 5,955,108</u>	<u>\$ 7,121,665</u>

More detailed information can be found in the notes to the financial statements.

Factors Bearing on the District's Future

The district is challenged with the necessity of providing instruction for our small student population while planning for the future. Our low enrollment always results in a high per pupil cost indicator. This is impacted by having the necessary staff to provide a solid learning environment and being able to retain staff. The number of special needs students who enroll has become worrisome as many of them need expensive special programs outside our school building. Each year we are impacted by the NYS Tax Cap and the fluctuations in state aid from year to year.

The Canaseraga Central School District, along with other districts statewide, face a precarious financial future due to the uncertainty again of state revenue which will likely impact our state aid to the school district. While the District is grateful for the influx of various federal aid allocations, this support will end over the next couple of years.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Canaseraga Central School District
4-8 Main Street
P.O. Box 230
Canaseraga, New York 14822-0230

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,457,911
Accounts receivable	1,226,094
Inventories	9,594
Net pension asset	2,136,420
Capital Assets:	
Land	6,788
Work in progress	4,028,447
Other capital assets (net of depreciation)	8,609,391
TOTAL ASSETS	<u>\$ 22,474,645</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 2,131,312</u>
 LIABILITIES	
Accounts payable	\$ 157,511
Accrued liabilities	13,896
Unearned revenues	64,232
Due to other governments	493
Due to teachers' retirement system	230,199
Due to employees' retirement system	18,037
Bond anticipation notes payable	3,640,000
Other Liabilities	28,328
Long-Term Obligations:	
Due in one year	442,368
Due in more than one year	5,512,740
TOTAL LIABILITIES	<u>\$ 10,107,804</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 3,715,146</u>
 NET POSITION	
Net investment in capital assets	\$ 6,116,179
Restricted For:	
Unemployment insurance reserve	921,056
Capital reserves	2,941,096
Other purposes	1,472,579
Unrestricted	(667,903)
TOTAL NET POSITION	<u>\$ 10,783,007</u>

(See accompanying notes to financial statements)

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary Government -					
General support	\$ 1,321,870	\$ -	\$ -	\$ -	\$ (1,321,870)
Instruction	5,017,213	52,732	734,042	217,143	(4,013,296)
Pupil transportation	673,034	-	-	-	(673,034)
School lunch	166,177	5,527	211,876	-	51,226
Interest	101,936	-	-	-	(101,936)
Total Primary Government	\$ 7,280,230	\$ 58,259	\$ 945,918	\$ 217,143	\$ (6,058,910)

General Revenues:

Property taxes	\$ 2,169,871
State and federal aid	4,509,225
Investment earnings	9,510
Compensation for loss	1,713
Miscellaneous	252,223
Total General Revenues	\$ 6,942,542
Changes in Net Position	\$ 883,632
Net Position, Beginning of Year (restated)	9,899,375
Net Position, End of Year	\$ 10,783,007

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK

**Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,300,410	\$ (13,995)	\$ 146,580	\$ 24,916	\$ 6,457,911
Receivables	358,297	465,490	366,323	35,984	1,226,094
Inventories	-	-	-	9,594	9,594
Due from other funds	659,525	131,078	-	116,354	906,957
TOTAL ASSETS	<u>\$ 7,318,232</u>	<u>\$ 582,573</u>	<u>\$ 512,903</u>	<u>\$ 186,848</u>	<u>\$ 8,600,556</u>
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	\$ 125,874	\$ -	\$ 31,743	\$ -	\$ 157,617
Accrued liabilities	9,383	-	-	568	9,951
Notes payable - bond anticipation notes	-	-	3,640,000	-	3,640,000
Due to other funds	369,218	528,132	9,607	-	906,957
Due to other governments	-	-	-	493	493
Due to TRS	230,199	-	-	-	230,199
Due to ERS	18,037	-	-	-	18,037
Other liabilities	28,328	-	-	-	28,328
Unearned revenue	-	54,441	-	9,791	64,232
TOTAL LIABILITIES	<u>\$ 781,039</u>	<u>\$ 582,573</u>	<u>\$ 3,681,350</u>	<u>\$ 10,852</u>	<u>\$ 5,055,814</u>
Fund Balances -					
Nonspendable	\$ -	\$ -	\$ -	\$ 9,594	\$ 9,594
Restricted	5,295,937	-	-	38,794	5,334,731
Assigned	541,256	-	-	127,608	668,864
Unassigned	700,000	-	(3,168,447)	-	(2,468,447)
TOTAL FUND BALANCE	<u>\$ 6,537,193</u>	<u>\$ -</u>	<u>\$ (3,168,447)</u>	<u>\$ 175,996</u>	<u>\$ 3,544,742</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,318,232</u>	<u>\$ 582,573</u>	<u>\$ 512,903</u>	<u>\$ 186,848</u>	

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

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	12,644,626
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(3,839)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(3,360,000)
OPEB	(2,545,636)
Compensated absences	(49,472)
Net pension asset	2,136,420
Deferred outflow - pension	1,618,140
Deferred outflow - OPEB	513,172
Deferred inflow - pension	(2,896,520)
Deferred inflow - OPEB	(818,626)
Net Position of Governmental Activities	<u>\$ 10,783,007</u>

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2022

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 2,169,871	\$ -	\$ -	\$ -	\$ 2,169,871
Charges for services	52,732	-	-	-	52,732
Use of money and property	9,505	-	-	5	9,510
Sale of property and compensation for loss	1,713	-	-	-	1,713
Miscellaneous	191,270	-	-	24,793	216,063
State sources	4,478,134	89,198	217,143	7,822	4,792,297
Federal sources	31,091	644,844	-	204,054	879,989
Sales	-	-	-	5,527	5,527
TOTAL REVENUES	\$ 6,934,316	\$ 734,042	\$ 217,143	\$ 242,201	\$ 8,127,702
EXPENDITURES					
General support	\$ 948,791	\$ -	\$ -	\$ -	\$ 948,791
Instruction	3,452,580	707,655	-	-	4,160,235
Pupil transportation	517,519	2,500	-	-	520,019
Employee benefits	1,082,601	25,617	-	5,021	1,113,239
Debt service - principal	425,000	-	-	-	425,000
Debt service - interest	102,611	-	-	-	102,611
Cost of sales	-	-	-	108,175	108,175
Other expenses	-	-	-	33,903	33,903
Capital outlay	-	-	3,070,074	-	3,070,074
TOTAL EXPENDITURES	\$ 6,529,102	\$ 735,772	\$ 3,070,074	\$ 147,099	\$ 10,482,047
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	\$ 405,214	\$ (1,730)	\$ (2,852,931)	\$ 95,102	\$ (2,354,345)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ -	\$ 1,730	\$ -	\$ -	\$ 1,730
Transfers - out	(1,730)	-	-	-	(1,730)
Premium on obligations issued	-	-	-	36,160	36,160
TOTAL OTHER FINANCING SOURCES (USES)	\$ (1,730)	\$ 1,730	\$ -	\$ 36,160	\$ 36,160
NET CHANGE IN FUND BALANCE	\$ 403,484	\$ -	\$ (2,852,931)	\$ 131,262	\$ (2,318,185)
FUND BALANCE, BEGINNING OF YEAR	6,133,709	-	(315,516)	44,734	5,862,927
FUND BALANCE, END OF YEAR	\$ 6,537,193	\$ -	\$ (3,168,447)	\$ 175,996	\$ 3,544,742

(See accompanying notes to financial statements)

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2022

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ (2,318,185)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 3,070,074	
Additions to Assets, Net	(73,376)	
Depreciation	<u>(584,953)</u>	
		2,411,745

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	425,000
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	675
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The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(4,635)
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(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System		308,467
Employees' Retirement System		57,286

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	<u>3,279</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 883,632**

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 85,075
TOTAL ASSETS	\$ 85,075
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 85,075
TOTAL NET POSITION	\$ 85,075

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2022

	Custodial Funds
ADDITIONS	
Library taxes	\$ 36,250
Miscellaneous	79,078
TOTAL ADDITIONS	\$ 115,328
DEDUCTIONS	
Student activity	\$ 94,215
Library taxes	36,250
TOTAL DEDUCTIONS	\$ 130,465
CHANGE IN NET POSITION	\$ (15,137)
NET POSITION, BEGINNING OF YEAR	100,212
NET POSITION, END OF YEAR	\$ 85,075

CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2022

I. Summary of Significant Accounting Policies

The financial statements of the Canaseraga Central School District, New York (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.

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agency for various student organizations in an agency fund.

(I.) (Continued)

B. Joint Venture

The District is a component of the Schuyler-Steuben-Chemung-Tioga-Allegany (GST) (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed \$1,556,732 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$420,530.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

Capital Project Fund – This fund accounts for the financial resources used for acquisition, construction, or major repair of capital facilities.

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

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

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 5, 2021. Taxes are collected during the period September 1 to October 31, 2021.

Uncollected real property taxes are subsequently enforced by the County(ies) in which the District is located. The County(ies) pay an amount representing uncollected real property taxes transmitted to the County(ies) for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

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

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

(I.) (Continued)

M. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

N. Unearned Revenue

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

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

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

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

(I.) (Continued)

In the funds' statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

Q. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-Term Debt

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that a BAN issued for capital purposes be converted to long-term financing within five years after the original issue date.

S. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds' financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

T. Equity Classifications

1. District-Wide Statements

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

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

(I.) (Continued)

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

On the Statement of Net Position, the following balances represent the restricted for other purposes:

	<u>Total</u>
Retirement Contribution - TRS	\$ 74,376
Retirement Contribution - ERS	449,571
Insurance	377,576
Repair	246,741
Debt	36,163
Liability	226,127
Scholarships	2,631
Employee Benefit Accrued Liability	59,394
Total Net Position - Restricted for Other Purposes	<u>\$ 1,472,579</u>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$667,903 at year end is the result of full implantation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

In the fund basis statements there are five classifications of fund balance:

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes \$9,594 of inventory in the school lunch fund.

b. **Restricted Fund Balances** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here. The Reserve for Debt Service was closed out prior to year-end and the balance was sent to General fund.

(I.) (Continued)

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

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

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
2018 Capital Reserve	\$ 5,000,000	\$ 3,649,888	\$ 2,941,096

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater.

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

Repair Reserve - According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

(I.) (Continued)

Retirement Contribution Reserve - According to General Municipal Law §6-r, must be used financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Tax Certiorari Reserve - According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

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

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and the School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

(I.) (Continued)

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Unemployment Costs	\$ 921,056
Retirement Contribution - ERS	449,571
Retirement Contribution - TRS	74,376
Insurance	377,576
Repair	246,741
Liability	226,127
Capital Reserves	2,941,096
Employee Benefit Accrued Liability	59,394
<u>Miscellaneous Special Revenue Fund -</u>	
Scholarships	2,631
<u>Debt Service Fund -</u>	
Debt Service	36,163
Total Restricted Fund Balance	<u><u>\$ 5,334,731</u></u>

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2022.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District’s purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances to be \$13,500 for the General Fund, \$7,000 for the Capital Projects Fund, and \$1,500 in the Special Aid Fund. The District reports the following significant encumbrances:

<u>General Fund -</u>	
Pupil Transportation	\$ 16,339
Instructional Media	19,324
Central Services	17,012
Total General Fund Significant Encumbrances	<u><u>\$ 52,675</u></u>
<u>Capital Projects Fund -</u>	
Capital Improvements	<u><u>\$ 114,853</u></u>
<u>Special Aid Fund -</u>	
Instructional	<u><u>\$ 41,883</u></u>

(I.) (Continued)

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 92,256
General Fund - Appropriated for Taxes	449,000
School Lunch Fund - Year End Equity	<u>127,608</u>
Total Assigned Fund Balance	<u>\$ 668,864</u>

e. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

3. **Order of Use of Fund Balance**

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

U. **New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2022, the District implemented the following new standards issued by GASB:

GASB has issued Statement 87, *Leases*

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

GASB has issued Statement No. 92, *Omnibus 2020, Paragraphs 6, 7, 8, 9, 10, 12.*

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 13 and 14*

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*

GASB has issued Statement No. 98, *The Annual Comprehensive Financial Report*

(I.) (Continued)

GASB has issued Statement No. 99, *Omnibus 2022 (extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement 34, as amended, and terminology updates related to GASB Statement 53 and GASB Statement 63)*

V. Future Changes in Accounting Standards

GASB has issued Statement No. 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraph 11b*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 96, *Subscription Based Information Technology*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 99, *Omnibus 2022 (leases, PPPs, and SBITAs)*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 99, *Omnibus 2022 (financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement 53)*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement No. 100, *Accounting for Changes and Error Corrections-an Amendment of GASB Statement No. 62*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement No. 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

II. Restatement of Net Position

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The District’s net position has been restated as follows:

	Government-Wide <u>Statements</u>
Net position beginning of year, as previously stated	\$ 9,873,627
Right to use assets	61,664
Accumulated amortization	<u>(35,916)</u>
Net position beginning of year, as restated	<u>\$ 9,899,375</u>

III. Changes in Accounting Principles

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the statement changes the reporting for leases. See Note II for the financial statement impact of implementation of the Statement.

IV. Stewardship, Compliance and Accountability

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

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2021-22 year, the budget was amended \$70,105 for carry over encumbrances and \$113,472 for the voter approved purchase of a Bus using Capital Reserve funds.

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

(IV.) (Continued)

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

B. Encumbrances

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

C. Deficit Fund Balance – Capital Projects Fund

The Capital Projects Fund had a deficit fund balance of \$3,168,447 at June 30, 2022, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

D. New York State Real Property Tax Law

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

V. Cash and Cash Equivalents

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates

(IV.) (Continued)

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$ -
Collateralized within Trust Department or Agent	6,309,740
Total	\$ 6,309,740

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$5,334,731 within the governmental funds and \$85,075 in the fiduciary funds.

VI. Receivables

Receivables at June 30, 2022 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>School Lunch Fund</u>	
Accounts Receivable	\$ 58,335	\$ -	\$ -	\$ -	\$ 58,335
Due From State and Federal	142,202	465,490	366,323	35,984	1,009,999
Due From Other Governments	200,425	-	-	-	200,425
Allowance for Uncollectible Accounts	(42,665)	-	-	-	(42,665)
Total Receivables	\$ 358,297	\$ 465,490	\$ 366,323	\$ 35,984	\$ 1,226,094

VII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2022 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 659,525	\$ 369,218	\$ -	\$ 1,730
Capital Projects Fund	-	9,607	-	-
Special Aid Fund	131,078	528,132	1,730	-
Non-Major Funds	116,354	-	-	-
Total	\$ 906,957	\$ 906,957	\$ 1,730	\$ 1,730

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

VIII. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2022</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 6,788	\$ -	\$ -	\$ 6,788
Work in progress	1,175,516	3,070,074	217,143	4,028,447
<i>Total Nondepreciable</i>	<u>\$ 1,182,304</u>	<u>\$ 3,070,074</u>	<u>\$ 217,143</u>	<u>\$ 4,035,235</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 15,305,622	\$ -	\$ -	\$ 15,305,622
Machinery and equipment	1,221,115	123,971	106,518	1,238,568
<i>Total Depreciated Assets</i>	<u>\$ 16,526,737</u>	<u>\$ 123,971</u>	<u>\$ 106,518</u>	<u>\$ 16,544,190</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 6,835,978	\$ 458,133	\$ -	\$ 7,294,111
Machinery and equipment	665,930	107,865	93,205	680,590
<i>Total Accumulated Depreciation</i>	<u>\$ 7,501,908</u>	<u>\$ 565,998</u>	<u>\$ 93,205</u>	<u>\$ 7,974,701</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 9,024,829</u>	<u>\$ (442,027)</u>	<u>\$ 13,313</u>	<u>\$ 8,569,489</u>
Total Capital Assets	<u>\$ 10,207,133</u>	<u>\$ 2,628,047</u>	<u>\$ 230,456</u>	<u>\$ 12,604,724</u>

B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2022 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2022</u>
<u>Lease Assets:</u>				
Equipment	\$ 61,665	\$ 33,109	\$ -	\$ 94,774
<i>Total Lease Assets</i>	<u>\$ 61,665</u>	<u>\$ 33,109</u>	<u>\$ -</u>	<u>\$ 94,774</u>
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 35,917	\$ 18,955	\$ -	\$ 54,872
<i>Total Accumulated Amortization</i>	<u>\$ 35,917</u>	<u>\$ 18,955</u>	<u>\$ -</u>	<u>\$ 54,872</u>
Total Lease Assets, Net	<u>\$ 25,748</u>	<u>\$ 14,154</u>	<u>\$ -</u>	<u>\$ 39,902</u>

C. Other capital assets (net of depreciation and amortization):

	<u>Total</u>
Depreciated Capital Assets (net)	\$ 8,569,489
Amortized Lease Assets (net)	39,902
Total Other Capital Assets (net)	<u>\$ 8,609,391</u>

(VIII.) (Continued)

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 16,885	\$ -	\$ 16,885
Instruction	317,873	18,955	336,828
Pupil Transportation	209,377	-	209,377
School Lunch	21,863	-	21,863
Total Depreciation and Amortization Expense	\$ 565,998	\$ 18,955	\$ 584,953

IX. Short-Term Debt

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2022</u>
BAN	7/21/2021	0.79%	\$ 950,000	\$ -	\$ 950,000	\$ -
BAN	7/20/2022	1.25%	3,640,000	-	-	3,640,000
Total Short-Term Debt			\$ 4,590,000	\$ -	\$ 950,000	\$ 3,640,000

A summary of the short-term interest expense for the year is as follows:

Interest Paid	\$ 1,980
Less: Interest Accrued in the Prior Year	(321)
Total Short-Term Interest Expense	\$ 1,659

X. Long-Term Debt Obligations

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

	<u>Balance 7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2022</u>	<u>Due Within One Year</u>
Governmental Activities:					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 3,785,000	\$ -	\$ 425,000	\$ 3,360,000	\$ 430,000
Total Bonds and Notes Payable	\$ 3,785,000	\$ -	\$ 425,000	\$ 3,360,000	\$ 430,000
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 322,386	\$ -	\$ 322,386	\$ -	\$ -
OPEB	2,961,528	-	415,892	2,545,636	-
Compensated Absences	52,751	-	3,279	49,472	12,368
Total Other Liabilities	\$ 3,336,665	\$ -	\$ 741,557	\$ 2,595,108	\$ 12,368
Total Long-Term Obligations	\$ 7,121,665	\$ -	\$ 1,166,557	\$ 5,955,108	\$ 442,368

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

(X.) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2022</u>
Serial Bonds -					
Construction	\$ 6,145,000	2015	2032	2.00%-3.25%	\$ 3,360,000
Total Serial Bonds					\$ 3,360,000

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 430,000	\$ 92,132
2024	440,000	82,994
2025	450,000	73,093
2026	460,000	62,406
2027	450,000	48,606
2028-2032	1,130,000	99,519
Total	\$ 3,360,000	\$ 458,750

Interest on long-term debt for June 30, 2022 was composed of:

Interest Paid	\$ 100,631
Less: Interest Accrued in the Prior Year	(4,193)
Plus: Interest Accrued in the Current Year	3,839
Total Long-Term Interest Expense	\$ 100,277

XI. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 1,618,140	\$ 2,896,520
OPEB	513,172	818,626
Total	\$ 2,131,312	\$ 3,715,146

XII. Pension Plans

A. General Information

The District participates in the New York State Teacher's Retirement System (TRS) and the New York State and Local Employee's Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

(XII.) (Continued)

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2022:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2022	\$ 99,197	\$ 230,199

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Net pension assets/(liability)	\$ 215,088	\$ 1,921,332
District's portion of the Plan's total net pension asset/(liability)	0.00263%	0.01109%

For the year ended June 30, 2022, the District recognized pension expenses of \$32,357 for ERS and \$(100,162) for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 16,289	\$ 264,835	\$ 21,128	\$ 9,982
Changes of assumptions	358,957	631,966	6,057	111,912
Net difference between projected and actual earnings on pension plan investments	-	-	704,322	2,010,873
Changes in proportion and differences between the District's contributions and proportionate share of contributions	62,762	57,269	16,864	15,382
Subtotal	\$ 438,008	\$ 954,070	\$ 748,371	\$ 2,148,149
District's contributions subsequent to the measurement date	18,037	208,025	-	-
Grand Total	\$ 456,045	\$ 1,162,095	\$ 748,371	\$ 2,148,149

(XII.) (Continued)

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2022	\$ -	\$ (238,034)
2023	(34,942)	(280,799)
2024	(63,935)	(355,602)
2025	(175,023)	(477,712)
2026	(36,463)	92,190
Thereafter	-	65,878
Total	\$ (310,363)	\$ (1,194,079)

E. Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18%-1.95%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.70%	2.40%
COLA's	1.40%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2019. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

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

(XII.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
<u>Asset Type -</u>		
Domestic equity	3.30%	6.80%
International equity	5.85%	7.60%
Global equity	0.00%	7.10%
Private equity	6.50%	10.00%
Real estate	5.00%	6.50%
Absolute return strategies *	4.10%	0.00%
Opportunistic portfolios	4.10%	0.00%
Real assets	5.58%	0.00%
Bonds and mortgages	0.00%	0.00%
Cash	-1.00%	0.00%
Inflation-indexed bonds	-1.00%	0.00%
Private debt	0.00%	5.90%
Real estate debt	0.00%	3.30%
High-yield fixed income securities	0.00%	3.80%
Domestic fixed income securities	0.00%	1.30%
Global fixed income securities	0.00%	0.80%
Short-term	0.00%	-0.20%
Credit	3.78%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.4% for TRS.

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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.

G. Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current assumption :

(XII.) (Continued)

	1% Decrease	Current Assumption	1% Increase
ERS	(4.90 %)	(5.90 %)	(6.90 %)
Employer's proportionate share of the net pension asset (liability)	\$ (553,633)	\$ 215,088	\$ 858,085
		Current Assumption	1% Increase
TRS	(5.95 %)	(6.95 %)	(7.95 %)
Employer's proportionate share of the net pension asset (liability)	\$ 201,616	\$ 1,921,332	\$ 3,366,629

H. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(In Thousands)	
	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Employers' total pension liability	\$ 223,874,888	\$ 130,819,415
Plan net position	232,049,473	148,148,457
Employers' net pension asset/(liability)	<u>\$ 8,174,585</u>	<u>\$ 17,329,042</u>
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	113.20%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$18,037.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$230,199.

XIII. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Active Employees	52
Total	60

B. Total OPEB Liability

The District’s total OPEB liability of \$2,545,636 was measured as of June 30, 2022 for year ended June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.75 percent, average, including inflation
Discount Rate	1.92 percent
Healthcare Cost Trend Rates	Initial rate of 6.75% decreasing to an ultimate rate of 3.78% for pre-65. Initial rate of 4.40% decreasing to an ultimate rate of 3.78% for post-65
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on Fidelity General Obligation AA-20 Year Municipal Bond rate.

Mortality rates were based on the sex-distinct and job category-specific headcount-weighted Pub 2010 Public Retirement Plans Mortality Tables with Scale MP-2020 mortality improvement scale on a generational basis.

(XIII.) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ 2,961,528
<u>Changes for the Year -</u>	
Service cost	\$ 197,765
Interest	75,823
Changes of benefit terms	(87,541)
Differences between expected and actual experience	(644,428)
Changes in assumptions or other inputs	171,445
Benefit payments	(128,956)
Net Changes	<u>\$ (415,892)</u>
Balance at June 30, 2022	<u>\$ 2,545,636</u>

There were no changes to plan provisions.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.45 percent in 2021 to 1.92% percent in 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount</u> <u>Rate</u>	<u>1% Increase</u>
	<u>(.92 %)</u>	<u>(1.92 %)</u>	<u>(2.92 %)</u>
Total OPEB Liability	\$ 2,797,129	\$ 2,545,636	\$ 2,313,770

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare</u> <u>Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,206,018	\$ 2,545,636	\$ 2,958,211

(XIII.) (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$133,591. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 706,205
Changes of assumptions	384,217	112,421
Contributions after measurement date	128,955	-
Total	<u>\$ 513,172</u>	<u>\$ 818,626</u>

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

<u>Year</u>	
2022	\$ (52,456)
2023	(52,456)
2024	(52,456)
2025	(52,456)
2026	(52,456)
2027	(51,540)
Thereafter	(120,589)
Total	<u>\$ (434,409)</u>

XIV. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

B. Health Plan

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Steuben Area Schools. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. A member may withdraw from the plan with three months' notice. Plan members include nine districts. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsured, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

(XIV.) (Continued)

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2022, the District incurred premiums or contribution expenditures totaling \$582,969. The latest financial information provided from the Plan indicates that it is fully funded.

C. Workers' Compensation

The District is a member of the Steuben-Allegany Area Schools Self Insured Workers' Compensation Plan (the Plan). Current membership of the Plan includes participants from various municipal entities. The Plan is administered by Steuben-Allegany BOCES and utilizes a third-party administrator who is responsible for processing claims, estimating liabilities, and providing actuarial services. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

The Plan purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2022, the District incurred premiums or contribution expenditures totaling \$31,778.

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2021-22 fiscal year totaled \$0. The balance of the fund at June 30, 2022 was \$921,056 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2022, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XV. Commitments and Contingencies

A. Litigation

There is no pending litigation against the District as of the report date.

(XV.) (Continued)

B. Grants

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

XVI. Tax Abatement

The County of Allegany, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the District property tax revenue was reduced \$47,254 for Bright Field. The District received payment in lieu of tax (PILOT) payment totaling \$4,500. During the current fiscal year Swain made payments against the receivables that the district had established for the payments they were behind on in the amount of \$71,619. Remaining receivables for Swain are \$4,018 for the 2019-2020 fiscal year and \$39,889 for the 2020-21 fiscal year.

XVII. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, voter approved budgets, and future results of operations. Management is actively monitoring the global situation on its financial condition, budgets, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The School District was awarded three different stimulus packages known as Coronavirus Aid, Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). New York State Required the CARES funds to be reported in the General fund, as an offset to state aid reductions, referred to as the Pandemic Adjustment, while the CRRSA and ARPA funds are required to be reported in the special aid fund.

The District Federal stimulus spending can be found in the Schedule of Expenditures of Federal Awards on page 60 of this report.

XVII. Subsequent Event

On July 19, 2022 the District issued a Bond Anticipation Note in the amount of \$3,615,000 at 4.00% which matures July 19, 2023.

Required Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2022

TOTAL OPEB LIABILITY					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 197,765	\$ 170,731	\$ 165,711	\$ 165,004	\$ 175,251
Interest	75,823	87,223	108,861	103,497	85,913
Changes in benefit terms	(87,541)	17,002	(340,940)	-	8,524
Differences between expected and actual experiences	(644,428)	(11,727)	(158,711)	-	-
Changes of assumptions or other inputs	171,445	156,300	141,627	(34,647)	(166,449)
Benefit payments	(128,956)	(147,921)	(136,256)	(132,897)	(123,053)
Net Change in Total OPEB Liability	\$ (415,892)	\$ 271,608	\$ (219,708)	\$ 100,957	\$ (19,814)
Total OPEB Liability - Beginning	\$ 2,961,528	\$ 2,689,920	\$ 2,909,628	\$ 2,808,671	\$ 2,828,485
Total OPEB Liability - Ending	\$ 2,545,636	\$ 2,961,528	\$ 2,689,920	\$ 2,909,628	\$ 2,808,671
 Covered Employee Payroll	 \$ 2,717,583	 \$ 2,827,263	 \$ 2,794,783	 \$ 2,708,350	 \$ 2,635,864
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 93.67%	 104.75%	 96.25%	 107.43%	 106.56%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2022

NYSERS Pension Plan								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0026%	0.2325%	0.0020%	0.0018%	0.0019%	0.0019%	0.0018%	0.0018%
Proportionate share of the net pension liability (assets)	\$ (215,088)	\$ 2,315	\$ 540,014	\$ 125,734	\$ 59,954	\$ 181,212	\$ 294,290	\$ 60,482
Covered-employee payroll	\$ 669,029	\$ 726,103	\$ 728,679	\$ 668,116	\$ 639,781	\$ 602,203	\$ 586,755	\$ 586,277
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-32.149%	0.319%	74.109%	18.819%	9.371%	30.092%	50.156%	10.316%
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%

NYSTRS Pension Plan								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0111%	0.0116%	0.0113%	0.0119%	0.0124%	0.0122%	0.0121%	0.0125%
Proportionate share of the net pension liability (assets)	\$ (1,921,332)	\$ (320,071)	\$ (294,356)	\$ (214,851)	\$ (94,298)	\$ 130,943	\$ (1,260,503)	\$ (1,389,906)
Covered-employee payroll	\$ 2,122,704	\$ 1,879,980	\$ 2,206,547	\$ 1,980,470	\$ 1,990,186	\$ 2,007,036	\$ 1,940,932	\$ 1,889,489
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-90.513%	-17.025%	-13.340%	-10.848%	-4.738%	6.524%	-64.943%	-73.560%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2022

NYSERS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 99,197	\$ 95,704	\$ 99,568	\$ 93,595	\$ 91,630	\$ 88,338	\$ 106,062	\$ 87,813
Contributions in relation to the contractually required contribution	<u>(99,197)</u>	<u>(95,704)</u>	<u>(99,568)</u>	<u>(93,595)</u>	<u>(91,630)</u>	<u>(88,338)</u>	<u>(106,062)</u>	<u>(87,813)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 669,029	\$ 726,103	\$ 728,679	\$ 668,116	\$ 639,781	\$ 602,203	\$ 586,755	\$ 586,277
Contributions as a percentage of covered-employee payroll	14.83%	13.18%	13.66%	14.01%	14.32%	14.67%	18.08%	14.98%

NYSTRS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 230,199	\$ 193,290	\$ 184,684	\$ 215,184	\$ 203,628	\$ 250,158	\$ 249,989	\$ 319,560
Contributions in relation to the contractually required contribution	<u>(230,199)</u>	<u>(193,290)</u>	<u>(184,684)</u>	<u>(215,184)</u>	<u>(203,628)</u>	<u>(250,158)</u>	<u>(249,989)</u>	<u>(319,560)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,122,704	\$ 1,879,980	\$ 2,206,547	\$ 1,980,470	\$ 1,990,186	\$ 2,007,036	\$ 1,940,932	#####
Contributions as a percentage of covered-employee payroll	10.84%	10.28%	8.37%	10.87%	10.23%	12.46%	12.88%	16.91%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2022

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 2,114,757	\$ 1,799,139	\$ 1,778,185	\$ (20,954)
Real property tax items	13,000	328,618	391,686	63,068
Charges for services	-	-	52,732	52,732
Use of money and property	-	-	9,505	9,505
Sale of property and compensation for loss	-	-	1,713	1,713
Miscellaneous	110,000	110,000	191,270	81,270
State Sources -				
Basic formula	4,147,630	4,147,630	3,641,441	(506,189)
Lottery aid	-	-	398,762	398,762
BOCES	540,493	540,493	420,530	(119,963)
Textbooks	15,070	15,070	10,835	(4,235)
All Other Aid -				
Computer software	3,408	3,408	6,283	2,875
Library loan	-	-	283	283
Federal Sources	<u>12,000</u>	<u>12,000</u>	<u>31,091</u>	<u>19,091</u>
TOTAL REVENUES	<u>\$ 6,956,358</u>	<u>\$ 6,956,358</u>	<u>\$ 6,934,316</u>	<u>\$ (22,042)</u>
Appropriated reserves	<u>\$ 138,800</u>	<u>\$ 252,272</u>		
Appropriated fund balance	<u>\$ 459,000</u>	<u>\$ 459,000</u>		
Prior year encumbrances	<u>\$ 70,105</u>	<u>\$ 70,105</u>		
TOTAL REVENUES AND				
APPROPRIATED RESERVES/				
FUND BALANCE	<u><u>\$ 7,624,263</u></u>	<u><u>\$ 7,737,735</u></u>		

Required Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2022

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 9,600	\$ 9,600	\$ 8,336	\$ 260	\$ 1,004
Central administration	196,175	196,175	195,875	-	300
Finance	193,346	193,346	188,221	-	5,125
Staff	30,620	24,620	20,932	-	3,688
Central services	463,309	483,309	412,989	17,012	53,308
Special items	145,800	129,300	122,438	-	6,862
Instructional -					
Instruction, administration and improvement	263,493	258,493	245,651	-	12,842
Teaching - regular school	1,554,961	1,615,961	1,432,067	37,071	146,823
Programs for children with handicapping conditions	1,246,300	1,226,800	924,073	-	302,727
Occupational education	251,500	221,500	217,341	-	4,159
Instructional media	387,461	420,461	369,264	19,324	31,873
Pupil services	319,480	322,480	264,184	2,250	56,046
Pupil Transportation	451,513	580,985	517,519	16,339	47,127
Community Services	2,000	2,000	-	-	2,000
Employee Benefits	1,499,705	1,413,705	1,082,601	-	331,104
Debt service - principal	425,000	425,000	425,000	-	-
Debt service - interest	139,000	109,000	102,611	-	6,389
TOTAL EXPENDITURES	<u>\$ 7,579,263</u>	<u>\$ 7,632,735</u>	<u>\$ 6,529,102</u>	<u>\$ 92,256</u>	<u>\$ 1,011,377</u>
Other Uses -					
Transfers - out	\$ 45,000	\$ 105,000	\$ 1,730	\$ -	\$ 103,270
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 7,624,263</u>	<u>\$ 7,737,735</u>	<u>\$ 6,530,832</u>	<u>\$ 92,256</u>	<u>\$ 1,114,647</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 403,484		
FUND BALANCE, BEGINNING OF YEAR	<u>6,133,709</u>	<u>6,133,709</u>	<u>6,133,709</u>		
FUND BALANCE, END OF YEAR	<u>\$ 6,133,709</u>	<u>\$ 6,133,709</u>	<u>\$ 6,537,193</u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		\$ 7,554,158
Prior year's encumbrances		70,105
		70,105
Original Budget		\$ 7,624,263
Budget revisions -		
Special Vote - Bus - October 2021		113,472
		113,472
FINAL BUDGET		\$ 7,737,735
		7,737,735

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2022-23 voter approved expenditure budget		\$ 7,828,150
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 541,256	
Unassigned fund balance	700,000	
Total Unrestricted fund balance	\$ 1,241,256	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 449,000	
Encumbrances included in assigned fund balance	92,256	
Total adjustments	\$ 541,256	
General fund fund balance subject to Section 1318 of		
Real Property Tax Law		700,000
ACTUAL PERCENTAGE		8.94%

Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2022

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance
			Prior Years	Current Year	Total		Local Sources	State Sources	Total	
2019 Capital Improvement Project	\$ 4,500,000	\$ 4,500,000	\$ 1,175,516	\$ 2,809,706	\$ 3,985,222	\$ 514,778	\$ 860,000	\$ -	\$ 860,000	\$ (3,125,222)
Smart Schools Bond Act	383,886	383,886	149,180	217,143	366,323	17,563	-	366,323	366,323	-
2022 Emergency Boiler	63,500	63,500	-	43,225	43,225	20,275	-	-	-	(43,225)
TOTAL	\$ 4,947,386	\$ 4,947,386	\$ 1,324,696	\$ 3,070,074	\$ 4,394,770	\$ 552,616	\$ 860,000	\$ 366,323	\$ 1,226,323	\$ (3,168,447)

Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
ASSETS				
Cash and cash equivalents	\$ (13,878)	\$ 2,631	\$ 36,163	\$ 24,916
Receivables	35,984	-	-	35,984
Inventories	9,594	-	-	9,594
Due from other funds	116,354	-	-	116,354
TOTAL ASSETS	<u>\$ 148,054</u>	<u>\$ 2,631</u>	<u>\$ 36,163</u>	<u>\$ 186,848</u>
 LIABILITIES AND FUND BALANCES				
<u>Liabilities</u> -				
Accrued liabilities	\$ 568	\$ -	\$ -	\$ 568
Due to other governments	493	-	-	493
Unearned revenue	9,791	-	-	9,791
TOTAL LIABILITIES	<u>\$ 10,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,852</u>
 <u>Fund Balances</u> -				
Nonspendable	\$ 9,594	\$ -	\$ -	\$ 9,594
Restricted	-	2,631	36,163	38,794
Assigned	127,608	-	-	127,608
TOTAL FUND BALANCE	<u>\$ 137,202</u>	<u>\$ 2,631</u>	<u>\$ 36,163</u>	<u>\$ 175,996</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 148,054</u>	<u>\$ 2,631</u>	<u>\$ 36,163</u>	<u>\$ 186,848</u>

Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Combined Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2022

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
REVENUES				
Use of money and property	\$ 2	\$ -	\$ 3	\$ 5
Miscellaneous	22,006	2,787	-	24,793
State sources	7,822	-	-	7,822
Federal sources	204,054	-	-	204,054
Sales	5,527	-	-	5,527
TOTAL REVENUES	\$ 239,411	\$ 2,787	\$ 3	\$ 242,201
EXPENDITURES				
Employee benefits	\$ 5,021	\$ -	\$ -	\$ 5,021
Cost of sales	108,175	-	-	108,175
Other expenses	33,603	300	-	33,903
TOTAL EXPENDITURES	\$ 146,799	\$ 300	\$ -	\$ 147,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 92,612	\$ 2,487	\$ 3	\$ 95,102
OTHER FINANCING SOURCES (USES)				
Premium on obligations issued	\$ -	\$ -	\$ 36,160	\$ 36,160
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 36,160	\$ 36,160
NET CHANGE IN FUND BALANCE	\$ 92,612	\$ 2,487	\$ 36,163	\$ 131,262
FUND BALANCE, BEGINNING OF YEAR	44,590	144	-	44,734
FUND BALANCE, END OF YEAR	\$ 137,202	\$ 2,631	\$ 36,163	\$ 175,996

Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2022

Capital assets/right to use assets, net		\$ 12,644,626
Deduct:		
Bond payable	\$ 3,360,000	
Assets purchased with short-term financing	<u>3,168,447</u>	
		<u>6,528,447</u>
Net Investment in Capital Assets/Right to Use assets		<u><u>\$ 6,116,179</u></u>

Supplementary Information
CANASERAGA CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2022

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Direct Program:</u>				
Rural Education	84.358A	S358A092614	N/A	\$ 7,894
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-22-0040	\$ 93,314
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-22-0040	1,567
ARP - Special Education - Grants to States (IDEA, Part B)	84.027X	N/A	5532-22-0040	10,624
<i>Total Special Education Cluster IDEA</i>				\$ 105,505
<u>Education Stabilization Fund -</u>				
CRRSA - ESSER 2	84.425D	N/A	5891-21-0100	\$ 173,309
ARP - ESSER 3	84.425U	N/A	5880-21-0100	104,282
ARP - SLR Summer Enrichment	84.425U	N/A	5882-21-0100	33,345
ARP - After School	84.425U	N/A	5883-21-0100	53,012
ARP - SLR Learning Loss	84.425U	N/A	5884-21-0100	66,037
<i>Total Education Stabilization Fund</i>				\$ 429,985
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-22-0100	\$ 12,238
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-22-0100	89,222
Total U.S. Department of Education				\$ 644,844
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Child Nutrition Cluster -</u>				
National School Lunch Program - COVID	10.555	N/A	N/A	\$ 112,658
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	N/A	25,876
National School Snack Program	10.555	N/A	N/A	3,994
National School Breakfast Program - COVID	10.553	N/A	N/A	38,253
<i>Total Child Nutrition Cluster</i>				\$ 180,781
Pandemic EBT Administrative Costs	10.649	N/A	N/A	601
Emergency Operational Costs	10.555	N/A	N/A	22,672
Total U.S. Department of Agriculture				\$ 204,054
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 848,898

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

Independent Auditors' Report

To the Board of Education
Canaseraga Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Canaseraga Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2022.

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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 13, 2022