

LYNDONVILLE CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2023



TABLE OF CONTENTS

	Pages
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 12
Basic Financial Statements:	
Statement of Net Position	13
Statement of Activities and Changes in Net Position	14
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	17
Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	18
Notes to the Basic Financial Statements:	21 - 46
Required Supplementary Information:	
Schedule of Changes in District's Total OPEB Liability and Related Ratio	47
Schedule of the District's Proportionate Share of the Net Pension Liability	48
Schedule of District Contributions	49
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	50 - 51
Supplementary Information:	
Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit - General Fund	52
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	53
Combining Balance Sheet - Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	55
Net Investment in Capital Assets/Right to Use Assets	56
Schedule of Expenditures of Federal Awards	57
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	58 - 59



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Lyndonville 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 Lyndonville Central School District, New York, as of and for the year ended June 30, 2023, 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 Lyndonville Central School District, New York, as of June 30, 2023, 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 Lyndonville 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

Lyndonville 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 4-12 and 47-51 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 Lyndonville 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of Lyndonville 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 Lyndonville Central School District's internal control over financial reporting and compliance.

Mengel, Metzger, Barz & Co. LLP

Rochester, New York
October 12, 2023

**Lyndonville Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

This is a discussion and analysis of the financial performance of the Lyndonville Central School District (the District) for the fiscal year ended June 30, 2023. The results of the current year are discussed in comparison with the prior year with an emphasis on the current year. This discussion should be read in conjunction with the financial statements and notes that immediately follow this section to enhance an understanding of the District's financial position and results of activities.

Financial Highlights

At the close of the fiscal year, total assets plus deferred outflows (what the District owns) exceeded total liabilities plus deferred inflows (what the District owes) by \$21,109,948 (Net Position). This reflects an increase of \$1,689,885 from the prior year.

As of the close of the fiscal year end, the School District's governmental funds reported combined fund balances of \$11,004,821 an increase of \$1,860,556 over the prior year.

New York State Law limits the amount of unassigned and assigned (outstanding purchase orders only) fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the fund balance of the General Fund subject to this calculation was approximately \$677,580. This amount was within the statutory limit.

Within general revenues, Federal and State Aid, Real Property Taxes, Investment Earnings, Compensation for Loss and Miscellaneous accounted for \$16,250,371 or 88% of all revenues. This represents an increase of \$1,619,273 over the prior year.

Program specific revenues in the form of Charges for Services and Operating Grants and Contributions, accounted for \$2,279,777 or 12% of total revenues. This represents a decrease of \$331,341 in this revenue area.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

The *statement of Net Position* presents information on all of the 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 serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District'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 District include instruction, pupil transportation, and cost of food sales, general administrative support, community service, and interest on long-term debt.

The district-wide financial statements, which encompass the District as a whole, can be found on the pages immediately following this section.

Funds 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 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 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 district-wide financial statements. However, unlike the district-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, 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 funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains six individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for each of the funds, which have been categorized as either major or non-major funds. Major funds are presented on a stand-alone basis, whereas, the non-major funds are aggregated into a single column and reported in total. Supplemental schedules detail the non-major funds that have been combined.

The District adopts and voters approve an annual budget for the General Fund. A budgetary comparison statement has been provided for this fund within the basic financial statements to demonstrate compliance with the budget. The *Fiduciary Funds* are used to account for assets held by the District in an agency capacity, which accounts for assets held by the District on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are *not* available to support the District programs.

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

The following table provides an overview of the major features of the district-wide and funds financial statements:

<u>Major Feature of the District-Wide and Funds financial statements</u>			
	District-wide Statements	Funds financial statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education, scholarship programs and building maintenance	Instances in which the 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 district-wide and funds financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

District-Wide Statements

The district-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 District's assets and liabilities. Revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-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, are one way to measure the District's financial health or position. Over time, increases or decreases in the District's Net Position indicate whether its financial position is improving or deteriorating. 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 district-wide financial statements as governmental activities. Services include such things 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 District As A Whole

Net Position

The District's combined Net Position increased over the prior year:

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2023</u>	<u>2022</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 12,569,319	\$ 16,868,196	\$ (4,298,877)
Capital Assets	20,310,736	21,226,681	(915,945)
Total Assets	<u>\$ 32,880,055</u>	<u>\$ 38,094,877</u>	<u>\$ (5,214,822)</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 4,190,263</u>	<u>\$ 4,297,033</u>	<u>\$ (106,770)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 13,076,355	\$ 13,079,086	\$ (2,731)
Other Liabilities	1,569,511	1,937,245	(367,734)
Total Liabilities	<u>\$ 14,645,866</u>	<u>\$ 15,016,331</u>	<u>\$ (370,465)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 1,314,504</u>	<u>\$ 7,955,516</u>	<u>\$ (6,641,012)</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 14,283,567	\$ 14,257,692	\$ 25,875
<u>Restricted For:</u>			
Reserve for ERS	1,727,124	1,608,735	118,389
Workers' Compensation Reserve	1,041,720	1,098,901	(57,181)
Capital Reserves	5,208,692	3,601,941	1,606,751
Other Purposes	1,821,962	1,253,435	568,527
Unrestricted	(2,973,117)	(2,400,641)	(572,476)
Total Net Position	<u>\$ 21,109,948</u>	<u>\$ 19,420,063</u>	<u>\$ 1,689,885</u>

Key Variances

- Current and Other Assets decreased as a result of the NYS ERS and TRS pension systems no longer reporting a net pension asset in 2023
- Deferred Inflows of Resources decreased as a result of decreases to the pension system amortization of the net differences between projected and actual earnings on plan investments

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

One component of the District Net Position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the 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.

Revenues and Expenses

The District’s total revenue increased by 7% or \$18,530,148. State and federal aid 59% and property taxes 25% accounted for most of the District’s revenues. The remaining 16% of revenues come from operating grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 6% to \$16,840,263. The District’s expenses are predominately related to education and caring for the students 77%. General support which including expenses associated with the operation, maintenance, and administration of the District accounts for 14% of the total costs. See table below:

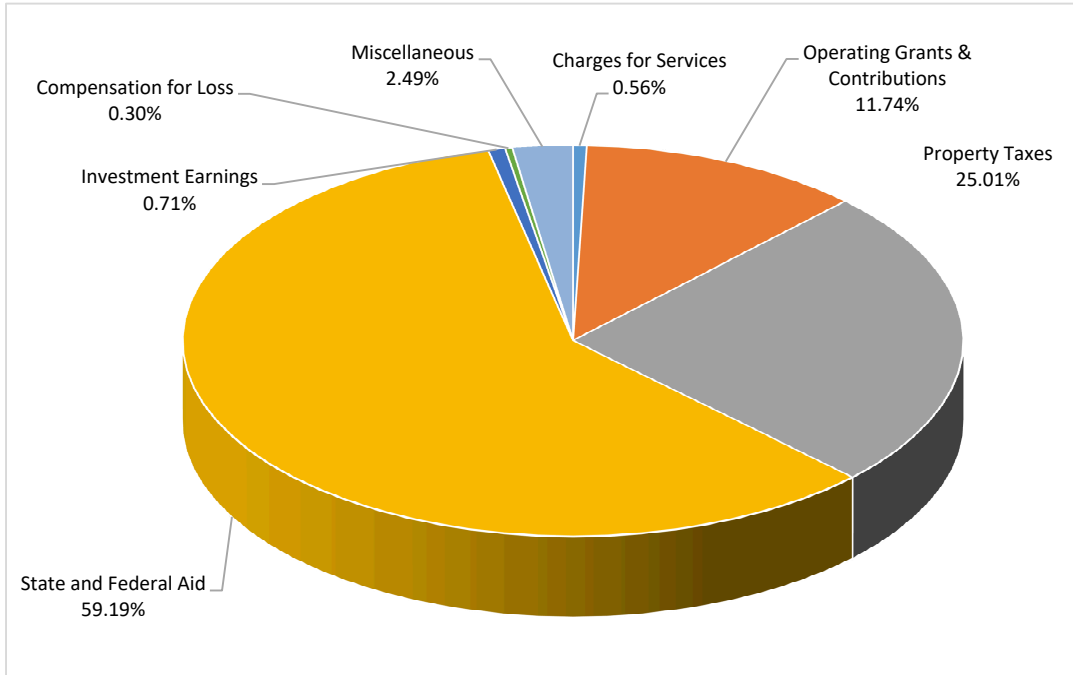
	<u>Governmental Activities</u>		<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>Variance</u>
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 104,160	\$ 63,009	\$ 41,151
Operating Grants & Contributions	2,175,617	2,523,383	(347,766)
Capital Grants & Contributions	-	24,726	(24,726)
Total Program	\$ 2,279,777	\$ 2,611,118	\$ (331,341)
<u>General -</u>			
Property Taxes	\$ 4,635,141	\$ 4,541,594	\$ 93,547
State and Federal Aid	10,967,357	9,926,886	1,040,471
Investment Earnings	130,958	1,811	129,147
Compensation for Loss	55,037	5,916	49,121
Miscellaneous	461,878	154,891	306,987
Total General	\$ 16,250,371	\$ 14,631,098	\$ 1,619,273
TOTAL REVENUES	\$ 18,530,148	\$ 17,242,216	\$ 1,287,932
<u>EXPENSES:</u>			
General Support	\$ 2,348,144	\$ 2,223,808	\$ 124,336
Instruction	13,000,378	12,115,993	884,385
Pupil Transportation	920,795	936,518	(15,723)
Community Services	1,453	1,299	154
School Lunch	434,897	419,161	15,736
Interest on Long-Term Debt	134,596	162,468	(27,872)
TOTAL EXPENSES	\$ 16,840,263	\$ 15,859,247	\$ 981,016
INCREASE IN NET POSITION	\$ 1,689,885	\$ 1,382,969	
NET POSITION, BEGINNING OF YEAR	19,420,063	18,037,094	
NET POSITION, END OF YEAR	\$ 21,109,948	\$ 19,420,063	

Key Variances

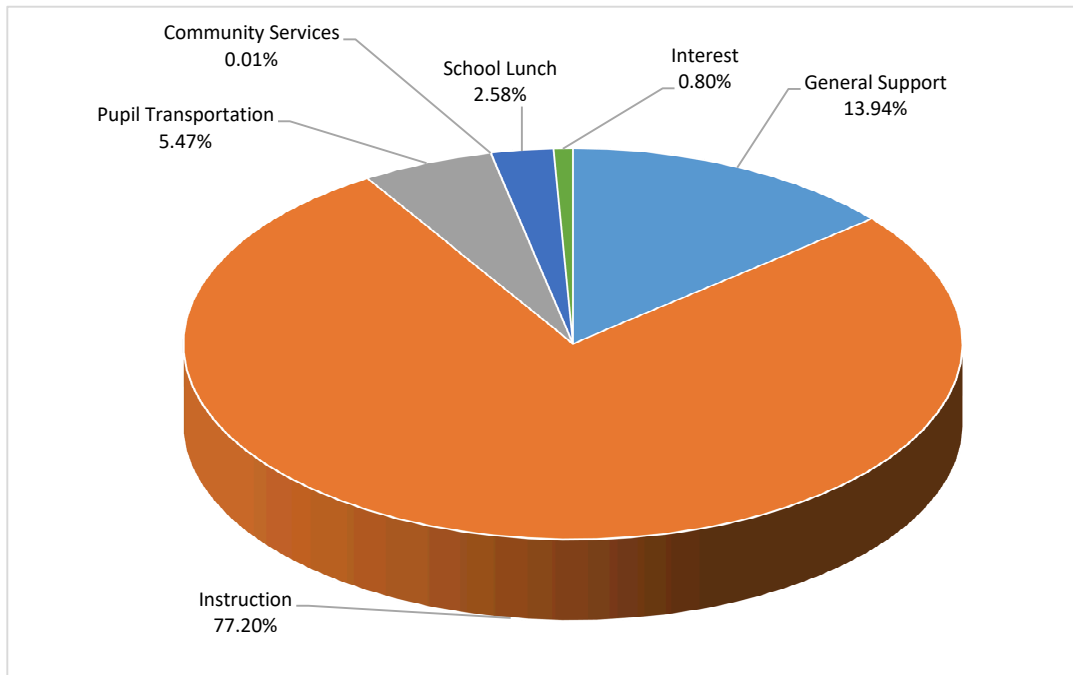
- State and Federal Aid revenue increased as a result of lottery aid, BOCES aid, and building aid

**Graphical Depiction of Revenues and Expenses – Actual
July 1, 2022– June 30, 2023**

Revenues:



Expenses:



Financial Analysis of the District 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 \$11,004,821 compared to \$9,144,265 in the prior year.

Under Governmental Accounting Standards Board Statement No. 54, governmental fund balances consist of nonspendable, restricted, assigned and unassigned funds. Changes in the restricted and assigned fund balances include interest earnings, and Board of Education approved funding of reserves. A synopsis of reserved fund balances can be found in the following table:

<u>Restricted Fund Balances:</u>	<u>Governmental Funds</u>		<u>Total Variance</u>
	<u>2023</u>	<u>2022</u>	
Unemployment Reserve	\$ 456,052	\$ 465,612	\$ (9,560)
ERS Reserve	1,727,124	1,608,735	118,389
TRS Reserve	225,851	104,935	120,916
Capital Reserve	5,208,692	3,601,941	1,606,751
Debt Service Reserve	98,260	96,867	1,393
Liability Reserve	273,057	269,889	3,168
Workers' Compensation Reserve	1,041,720	1,098,901	(57,181)
Employee Benefit Accrued Liability Reserve	288,182	288,182	-
Miscellaneous Special Revenue Fund-Scholarships	28,554	27,950	604
Capital Fund - Projects	452,006	-	452,006
Total Restricted Fund Balances	<u>\$ 9,799,498</u>	<u>\$ 7,563,012</u>	<u>\$ 2,236,486</u>

Non spendable, restricted, and assigned fund balances indicate that it is not available due to the fact that it is either legally restricted to liquidate current contracts and/or purchase orders or restricted for other purposes. The additional reserves and the increase in the amounts in various reserves demonstrate the continuing growth in the District's financial strength.

One of the most important pieces of information reported in the governmental funds financial statements is unassigned or available fund balance. The fund balances represent the availability of various governmental fund resources for future use.

<u>Fund Balances</u>	<u>Governmental Funds</u>	
	<u>2023</u>	<u>2022</u>
<u>Nonspendable:</u>		
Inventory in school lunch	\$ 12,529	\$ 5,223
Prepaid items	-	5,480
Total Nonspendable	<u>\$ 12,529</u>	<u>\$ 10,703</u>
<u>Restricted:</u>		
General	\$ 9,220,678	\$ 7,438,195
Debt Service	98,260	96,867
Capital Projects	452,006	-
Miscellaneous Special Revenue	28,554	27,950
Total Restricted	<u>\$ 9,799,498</u>	<u>\$ 7,563,012</u>
<u>Assigned:</u>		
General	\$ 342,383	\$ 734,730
School Lunch	172,831	207,622
Total Assigned	<u>\$ 515,214</u>	<u>\$ 942,352</u>
<u>Unassigned:</u>		
General	\$ 677,580	\$ 628,198
Total Unassigned	<u>\$ 677,580</u>	<u>\$ 628,198</u>

At the end of this year, the \$11,004,821 of total fund balance in the general fund was divided between \$12,529 in nonspendable fund balance, \$9,799,498 in restricted fund balances, \$515,214 in assigned fund balance, and \$677,580 in unassigned fund balance.

The assigned portion has been carried forward to balance the budgeted operations of the 2023-24 fiscal year. The unassigned portion is not specifically designated and will assist the District in cash flow needs.

General Fund Budgetary Highlights

The difference between the original general fund budget and the final amended budget was \$1,120,197. This change was a result of the Board of Education declaration of two emergency capital projects. The emergency declaration also authorized the spending to repair the building roofs to maintain the buildings.

Capital Asset and Debt Administration

Capital Assets

By the end of the fiscal year, the District had invested \$20,207,174 in a broad range of capital assets, including land, buildings, machinery, and equipment. The district has a bus replacement schedule in effect for its thirteen owned buses.

The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2023</u>	<u>2022</u>
<u>Capital Assets</u>		
Land	\$ 40,886	\$ 40,886
Work in Progress	2,160	-
Buildings and Improvements	19,262,529	19,920,948
Machinery and Equipment	901,599	1,101,799
Total Capital Assets	<u>\$ 20,207,174</u>	<u>\$ 21,063,633</u>
<u>Lease Assets</u>		
Equipment	\$ 103,562	\$ 163,048
Total Lease Assets	<u>\$ 103,562</u>	<u>\$ 163,048</u>

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

Long-Term Debt

At year end, the District had \$13,076,355 in general obligation bonds and other long-term debt outstanding.

<u>Type</u>	<u>2023</u>	<u>2022</u>
Serial Bonds	\$ 6,015,000	\$ 6,950,000
Lease Liability	12,169	18,989
OPEB	5,482,901	6,085,578
Net Pension Liability	1,260,905	-
Retirement Incentives	280,234	-
Compensated Absences	25,146	24,519
Total Long-Term Obligations	<u>\$ 13,076,355</u>	<u>\$ 13,079,086</u>

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

Factors Bearing on the District's Future

District programs will be impacted by the depletion of Federal Stimulus Funds (ARP and CRSSA). In addition, funding from New York State is 63% of the revenue source of the District. The impact of these two items weigh heavily on the long range financial planning for the District.

Contacting the District 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 Business Office at the following address:

Lyndonville Central School District
25 Housel Avenue
P. O. Box 540
Lyndonville, New York 14098-0540

LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2023

	Governmental <u>Activities</u>
ASSETS	
Cash and cash equivalents	\$ 11,346,606
Accounts receivable	1,210,184
Inventories	12,529
Capital Assets:	
Land	40,886
Work in progress	2,160
Other capital assets (net of depreciation)	20,267,690
TOTAL ASSETS	<u>\$ 32,880,055</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 4,190,263</u>
 LIABILITIES	
Accounts payable	\$ 127,684
Accrued liabilities	295,798
Unearned revenues	31,142
Due to other governments	141
Due to teachers' retirement system	646,303
Due to employees' retirement system	42,976
Other Liabilities	425,467
Long-Term Obligations:	
Due in one year	1,113,321
Due in more than one year	11,963,034
TOTAL LIABILITIES	<u>\$ 14,645,866</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 1,314,504</u>
 NET POSITION	
Net investment in capital assets	\$ 14,283,567
Restricted For:	
Reserve for employee retirement system	1,727,124
Worker's compensation reserve	1,041,720
Capital reserves	5,208,692
Other purposes	1,821,962
Unrestricted	(2,973,117)
TOTAL NET POSITION	<u>\$ 21,109,948</u>

(See accompanying notes to financial statements)

LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
<u>Primary Government</u> -				
General support	\$ 2,348,144	\$ -	\$ -	\$ (2,348,144)
Instruction	13,000,378	35,812	1,867,219	(11,097,347)
Pupil transportation	920,795	-	-	(920,795)
Community services	1,453	-	-	(1,453)
School lunch	434,897	68,348	308,398	(58,151)
Interest	134,596	-	-	(134,596)
Total Primary Government	\$ 16,840,263	\$ 104,160	\$ 2,175,617	\$ (14,560,486)
 General Revenues:				
Property taxes				\$ 4,635,141
State and federal aid				10,967,357
Investment earnings				130,958
Compensation for loss				55,037
Miscellaneous				461,878
Total General Revenues				\$ 16,250,371
Changes in Net Position				\$ 1,689,885
Net Position, Beginning of Year				19,420,063
Net Position, End of Year				\$ 21,109,948

(See accompanying notes to financial statements)

LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Special Aid Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,825,988	\$ 46,423	\$ 474,195	\$ 11,346,606
Receivables	867,730	299,693	42,761	1,210,184
Inventories	-	-	12,529	12,529
Due from other funds	389,556	-	321,319	710,875
TOTAL ASSETS	\$ 12,083,274	\$ 346,116	\$ 850,804	\$ 13,280,194
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 117,102	\$ 2,423	\$ 8,159	\$ 127,684
Accrued liabilities	290,785	-	-	290,785
Due to other funds	320,000	329,299	61,576	710,875
Due to other governments	-	-	141	141
Due to TRS	646,303	-	-	646,303
Due to ERS	42,976	-	-	42,976
Other liabilities	425,467	-	-	425,467
Unearned revenue	-	14,394	16,748	31,142
TOTAL LIABILITIES	\$ 1,842,633	\$ 346,116	\$ 86,624	\$ 2,275,373
Fund Balances -				
Nonspendable	\$ -	\$ -	\$ 12,529	\$ 12,529
Restricted	9,220,678	-	578,820	9,799,498
Assigned	342,383	-	172,831	515,214
Unassigned	677,580	-	-	677,580
TOTAL FUND BALANCE	\$ 10,240,641	\$ -	\$ 764,180	\$ 11,004,821
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,083,274	\$ 346,116	\$ 850,804	

**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. 20,310,736

Interest is accrued on outstanding bonds in the statement of net position
but not in the funds. (5,013)

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	(6,015,000)
Leases	(12,169)
OPEB	(5,482,901)
Compensated absences	(25,146)
Retirement incentives	(280,234)
Deferred outflow - pension	3,893,575
Deferred outflow - OPEB	296,688
Net pension liability	(1,260,905)
Deferred inflow - pension	(463,170)
Deferred inflow - OPEB	(851,334)

Net Position of Governmental Activities \$ 21,109,948

LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2023

	General	Special	Nonmajor	Total
	Fund	Aid	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Real property taxes and tax items	\$ 4,635,141	\$ -	\$ -	\$ 4,635,141
Charges for services	35,812	-	-	35,812
Use of money and property	127,989	-	2,969	130,958
Sale of property and compensation for loss	55,037	-	-	55,037
Miscellaneous	457,927	37,711	3,951	499,589
State sources	10,877,242	587,417	9,103	11,473,762
Federal sources	90,115	1,242,091	299,295	1,631,501
Sales	-	-	68,348	68,348
TOTAL REVENUES	\$ 16,279,263	\$ 1,867,219	\$ 383,666	\$ 18,530,148
EXPENDITURES				
General support	\$ 1,851,615	\$ 41,916	\$ -	\$ 1,893,531
Instruction	7,211,739	1,504,551	-	8,716,290
Pupil transportation	687,963	21,443	-	709,406
Community services	960	-	-	960
Employee benefits	2,989,644	309,457	1,718	3,300,819
Debt service - principal	941,820	-	-	941,820
Debt service - interest	135,374	-	-	135,374
Cost of sales	-	-	21,160	21,160
Other expenses	-	-	386,276	386,276
Capital outlay	-	-	563,956	563,956
TOTAL EXPENDITURES	\$ 13,819,115	\$ 1,877,367	\$ 973,110	\$ 16,669,592
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	\$ 2,460,148	\$ (10,148)	\$ (589,444)	\$ 1,860,556
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ -	\$ 10,148	\$ 1,015,962	\$ 1,026,110
Transfers - out	(1,026,110)	-	-	(1,026,110)
TOTAL OTHER FINANCING				
SOURCES (USES)	\$ (1,026,110)	\$ 10,148	\$ 1,015,962	\$ -
NET CHANGE IN FUND BALANCE	\$ 1,434,038	\$ -	\$ 426,518	\$ 1,860,556
FUND BALANCE, BEGINNING				
OF YEAR	8,806,603	-	337,662	9,144,265
FUND BALANCE, END OF YEAR	\$ 10,240,641	\$ -	\$ 764,180	\$ 11,004,821

(See accompanying notes to financial statements)

LYNDONVILLE 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, 2023

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 1,860,556

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	\$	563,956	
Additions to Assets, Net		38,008	
Depreciation and Amortization		<u>(1,517,909)</u>	(915,945)

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	941,820
-----------------	---------

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	778
--	-----

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.	397,567
---	---------

(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		(199,985)	
Employees' Retirement System		(114,045)	

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		(627)	
Retirement Incentives		<u>(280,234)</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 1,689,885**

LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 32,592
TOTAL ASSETS	<u>\$ 32,592</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 32,592
TOTAL NET POSITION	<u><u>\$ 32,592</u></u>

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Library taxes	\$ 119,183
Student activity	51,465
TOTAL ADDITIONS	<u>\$ 170,648</u>
DEDUCTIONS	
Student activity	\$ 43,967
Library taxes	119,183
TOTAL DEDUCTIONS	<u>\$ 163,150</u>
CHANGE IN NET POSITION	\$ 7,498
NET POSITION, BEGINNING OF YEAR	<u>25,094</u>
NET POSITION, END OF YEAR	<u><u>\$ 32,592</u></u>

LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2023

I. Summary of Significant Accounting Policies

The financial statements of the Lyndonville 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 Lyndonville 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 seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the 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.

B. Joint Venture

The District is a component of the Orleans – Niagara Board of Cooperative Educational Services (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.

(I.) (Continued)

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 \$1,969,402 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$778,848.

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.

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.

(I.) (Continued)

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.

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:

Capital Projects Fund - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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.

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.

(I.) (Continued)

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 8, 2022. Taxes are collected during the period September 1 to October 31, 2022.

Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County 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.

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 VI for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

(I.) (Continued)

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.

J. Receivables

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

An allowance for uncollectible accounts has been provided for certain amounts that may not be collectible.

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.

(I.) (Continued)

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 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.

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.

(I.) (Continued)

P. Vested Employee Benefits

1. Compensated Absences

The 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.

Q. Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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. 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.

S. 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>
Unemployment Costs	\$ 456,052
Retirement Contribution - TRS	225,851
Capital Projects	452,006
Scholarships	28,554
Debt	98,260
Liability	273,057
Employee Benefit Accrued Liability	<u>288,182</u>
Total Net Position - Restricted for Other Purposes	<u><u>\$ 1,821,962</u></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 \$2,973,117 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:

	<u>Total</u>
Inventory in School Lunch	\$ 12,529
Total Nonspendable Fund Balance	<u><u>\$ 12,529</u></u>

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:

(I.) (Continued)

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>
Capital Reserve 2014	\$ 2,000,000	\$ 2,000,000	\$ 1,723,326
2017 Building Capital	\$ 4,000,000	\$ 2,977,325	\$ 3,008,600
2018 Transportation & Bus Reserve	\$ 700,000	\$ 700,000	\$ 476,766

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.

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.

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.

Teachers' Retirement Reserve - General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

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.

(I.) (Continued)

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.

Workers' Compensation Reserve - According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. 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.

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.

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 1,041,720
Unemployment Costs	456,052
Retirement Contribution - ERS	1,727,124
Retirement Contribution - TRS	225,851
Liability	273,057
Capital Reserves	5,208,692
Employee Benefit Accrued Liability	288,182
<u>Capital Fund-</u>	
Capital Project	452,006
<u>Miscellaneous Special Revenue Fund -</u>	
Scholarships	28,554
<u>Debt Service Fund -</u>	
Debt Service	98,260
Total Restricted Fund Balance	<u><u>\$ 9,799,498</u></u>

(I.) (Continued)

The District appropriated and/or budgeted funds from the following reserves for the 2023-24 budget:

	<u>Total</u>
Workers' Compensation	\$ 60,000
Unemployment Costs	1,000
Employee Retirement System	300,000
Total	<u><u>\$ 361,000</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, 2023.

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.

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 175,360
General Fund - Appropriated for Taxes	167,023
School Lunch Fund - Year End Equity	172,831
Total Assigned Fund Balance	<u><u>\$ 515,214</u></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.

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

(I.) (Continued)

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.

T. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 91, *Conduit Debt Obligations*.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraph 11b*.

GASB has issued Statement No. 96, *Subscription Based Information Technology*.

GASB has issued Statement No. 99, *Omnibus 2022 (leases, PPPs, and SBITAs)*.

U. Future Changes in Accounting Standards

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. Changes in Accounting Principles

For the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

III. 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.

(III.) (Continued)

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. The following supplemental appropriations occurred during the year: an increase of \$580,000 for emergency roof repair of the elementary school, \$320,000 for emergency roof repair of the middle school, \$139,166 for bus purchase, \$2,778 for miscellaneous items, and \$78,253 in carry over encumbrances from the prior year.

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.

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.

IV. 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.

(IV.) (Continued)

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.

The District's aggregate bank balances, included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		11,311,210
Total	\$	<u>11,311,210</u>

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 \$9,799,498 within the governmental funds and \$32,592 in the fiduciary funds.

V. **Receivables**

Receivables at June 30, 2023 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>Nonmajor Funds</u>	
Accounts Receivable	\$ 853	\$ -	\$ 4,496	\$ 5,349
Due From State and Federal	412,586	299,693	42,761	755,040
Due From Other Governments	454,291	-	-	454,291
Allowance for Uncollectible Accounts	-	-	(4,496)	(4,496)
Total Receivables	<u>\$ 867,730</u>	<u>\$ 299,693</u>	<u>\$ 42,761</u>	<u>\$ 1,210,184</u>

VI. **Interfund Receivables, Payables, Revenues and Expenditures**

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2023 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 389,556	\$ 320,000	\$ -	\$ 1,026,110
Special Aid Fund	-	329,299	10,148	-
Non-Major Fund	321,319	61,576	1,015,962	-
Total	<u>\$ 710,875</u>	<u>\$ 710,875</u>	<u>\$ 1,026,110</u>	<u>\$ 1,026,110</u>

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.

VII. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 40,886	\$ -	\$ -	\$ 40,886
Work in progress	-	563,956	561,796	2,160
<i>Total Nondepreciable</i>	<u>\$ 40,886</u>	<u>\$ 563,956</u>	<u>\$ 561,796</u>	<u>\$ 43,046</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 35,202,250	\$ 582,996	\$ -	\$ 35,785,246
Machinery and equipment	3,934,698	16,808	-	3,951,506
<i>Total Depreciated Assets</i>	<u>\$ 39,136,948</u>	<u>\$ 599,804</u>	<u>\$ -</u>	<u>\$ 39,736,752</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 15,281,302	\$ 1,241,415	\$ -	\$ 16,522,717
Machinery and equipment	2,832,899	217,008	-	3,049,907
<i>Total Accumulated Depreciation</i>	<u>\$ 18,114,201</u>	<u>\$ 1,458,423</u>	<u>\$ -</u>	<u>\$ 19,572,624</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 21,022,747</u>	<u>\$ (858,619)</u>	<u>\$ -</u>	<u>\$ 20,164,128</u>
Total Capital Assets	<u>\$ 21,063,633</u>	<u>\$ (294,663)</u>	<u>\$ 561,796</u>	<u>\$ 20,207,174</u>

B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2023 is as follows:

<u>Type</u>	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
<u>Lease Assets:</u>				
Equipment	\$ 293,097	\$ -	\$ -	\$ 293,097
<i>Total Lease Assets</i>	<u>\$ 293,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,097</u>
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 130,049	\$ 59,486	\$ -	\$ 189,535
<i>Total Accumulated Amortization</i>	<u>\$ 130,049</u>	<u>\$ 59,486</u>	<u>\$ -</u>	<u>\$ 189,535</u>
Total Lease Assets, Net	<u>\$ 163,048</u>	<u>\$ (59,486)</u>	<u>\$ -</u>	<u>\$ 103,562</u>

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

Depreciated capital assets, net	\$ 20,164,128
Amortized lease assets, net	103,562
Total Other Capital Assets, Net	<u>\$ 20,267,690</u>

(VII.) (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	\$ 33,259	\$ -	\$ 33,259
Instruction	1,196,596	59,486	1,256,082
Pupil Transportation	183,846	-	183,846
School Lunch	44,722	-	44,722
Total Depreciation and Amortization Expense	<u>\$ 1,458,423</u>	<u>\$ 59,486</u>	<u>\$ 1,517,909</u>

VIII. **Long-Term Debt Obligations-**

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

	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds Payable -</u>					
Serial Bonds	\$ 6,950,000	\$ -	\$ 935,000	\$ 6,015,000	\$ 960,000
Lease Liability	18,989	-	6,820	12,169	6,917
Total Bonds Payable	<u>\$ 6,968,989</u>	<u>\$ -</u>	<u>\$ 941,820</u>	<u>\$ 6,027,169</u>	<u>\$ 966,917</u>
<u>Other Liabilities -</u>					
Net Pension Liability	\$ -	\$ 1,260,905	\$ -	\$ 1,260,905	\$ -
OPEB	6,085,578	-	602,677	5,482,901	-
Compensated Absences	24,519	627	-	25,146	6,287
Retirement Incentives	-	280,234	-	280,234	140,117
Total Other Liabilities	<u>\$ 6,110,097</u>	<u>\$ 1,541,766</u>	<u>\$ 602,677</u>	<u>\$ 7,049,186</u>	<u>\$ 146,404</u>
Total Long-Term Obligations	<u>\$ 13,079,086</u>	<u>\$ 1,541,766</u>	<u>\$ 1,544,497</u>	<u>\$ 13,076,355</u>	<u>\$ 1,113,321</u>

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

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 6/30/2023</u>
<u>Serial Bonds -</u>					
Refunding	\$ 3,805,000	2017	2025	1%-2%	\$ 1,140,000
Construction	\$ 5,625,000	2021	2035	2.00%	4,875,000
Total Serial Bonds					<u>\$ 6,015,000</u>
<u>Leases -</u>					
Leases	\$ 35,220	2020	2025	1.41%	\$ 12,169
Total Leases					<u>\$ 12,169</u>

(VIII.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 960,000	\$ 116,350	\$ 6,917	\$ 127
2025	975,000	97,100	5,252	31
2026	410,000	77,500	-	-
2027	415,000	69,250	-	-
2028	425,000	60,850	-	-
2029-33	2,260,000	171,700	-	-
2034-35	570,000	8,100	-	-
Total	\$ 6,015,000	\$ 600,850	\$ 12,169	\$ 158

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$1,345,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2023 was composed of:

Interest Paid	\$ 135,374
Less: Interest Accrued in the Prior Year	(5,791)
Plus: Interest Accrued in the Current Year	5,013
Total Long-Term Interest Expense	\$ 134,596

IX. 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	\$ 3,893,575	\$ 463,170
OPEB	296,688	851,334
Total	\$ 4,190,263	\$ 1,314,504

X. Pension Plans

A. General Information

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' 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.

(X.) (Continued)

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 NYSTRS, 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.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2023:

<u>Contributions</u>		<u>ERS</u>	<u>TRS</u>
2023	\$	142,114	646,303

(X.) (Continued)

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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, 2023	June 30, 2022
Net pension assets/(liability)	\$ (612,699)	\$ (648,206)
District's portion of the Plan's total net pension asset/(liability)	0.003%	0.034%

For the year ended June 30, 2023, the District recognized pension expenses of \$263,848 for ERS and \$791,590 for TRS. At June 30, 2023 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	\$ 65,257	\$ 679,237	\$ 17,207	\$ 12,989
Changes of assumptions	297,566	1,257,409	3,289	261,116
Net difference between projected and actual earnings on pension plan investments	-	837,543	3,600	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	118,278	3,416	7,951	157,018
Subtotal	<u>\$ 481,101</u>	<u>\$ 2,777,605</u>	<u>\$ 32,047</u>	<u>\$ 431,123</u>
District's contributions subsequent to the measurement date	42,976	591,893	-	-
Grand Total	<u>\$ 524,077</u>	<u>\$ 3,369,498</u>	<u>\$ 32,047</u>	<u>\$ 431,123</u>

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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

(X.) (Continued)

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 448,805
2024	123,159	215,966
2025	(130)	(134,537)
2026	149,770	1,625,394
2027	176,255	190,544
Thereafter	-	310
Total	\$ 449,054	\$ 2,346,482

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, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
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, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	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-2021. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

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, 2023 are summarized as follows:

(X.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
<u>Asset Type -</u>		
Domestic equity	4.30%	6.50%
International equity	6.85%	7.20%
Global equity	0.00%	6.90%
Private equity	7.50%	9.90%
Real estate	4.60%	6.20%
Opportunistic / ARS portfolios	5.38%	0.00%
Real assets	5.84%	0.00%
Bonds and mortgages	0.00%	0.60%
Cash	0.00%	-0.30%
Private debt	0.00%	5.30%
Real estate debt	0.00%	2.40%
High-yield fixed income securities	0.00%	3.30%
Domestic fixed income securities	0.00%	1.10%
Global fixed income securities	0.00%	0.00%
Short-term	0.00%	0.00%
Credit	5.43%	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.

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 :

(X.) (Continued)

<u>ERS</u>	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (1,480,629)	\$ (612,699)	\$ 112,559

<u>TRS</u>	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (5,976,759)	\$ (648,206)	\$ 3,833,073

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)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ 232,627,259	\$ 133,883,474
Plan net position	211,183,223	131,964,582
Employers' net pension asset/(liability)	<u>\$ 21,444,036</u>	<u>\$ 1,918,892</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%	98.60%

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, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$42,976.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to \$646,303.

XI. 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Active Employees	<u>125</u>
Total	<u><u>157</u></u>

B. Total OPEB Liability

The District’s total OPEB liability of \$5,482,901 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.78 percent
Salary Increases	3.53 percent, average, including inflation
Discount Rate	3.78 percent
Healthcare Cost Trend Rates	Initial rate of 5.50% increasing to an ultimate rate of 4.00%
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate reflects a blending of the investment rate of return and the long-term bond rate using expected benefit payments.

Mortality rates were based on Pub 2010 Public Retirement Plans Mortality Tables, with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2021.

(XI.) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 6,085,578
<u>Changes for the Year -</u>	
Service cost	\$ 135,832
Interest	167,839
Changes of benefit terms	81,290
Differences between expected and actual experience	(339,563)
Changes in assumptions or other inputs	(357,389)
Benefit payments	(290,686)
Net Changes	<u>\$ (602,677)</u>
Balance at June 30, 2023	<u>\$ 5,482,901</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.83 percent in 2022 to 3.78 percent in 2023, salary scale changed from 3.44% to 3.53% and updated healthcare cost and teachers retirement tables effective for June 30, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.78 percent) or 1-percentage-point higher (4.78 percent) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(2.78%)</u>	<u>(3.78%)</u>	<u>(4.78%)</u>
Total OPEB Liability	\$ 5,906,755	\$ 5,482,901	\$ 5,099,382

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:

	1% Decrease	Healthcare	1% Increase
	<u>(4.50%</u>	Cost Trend Rates	<u>(6.50%</u>
	<u>Increasing</u>	<u>(5.50%</u>	<u>Increasing</u>
	<u>to 3.00%)</u>	<u>Increasing</u>	<u>Increasing</u>
	<u>to 3.00%)</u>	<u>to 4.00%)</u>	<u>to 5.00%)</u>
Total OPEB Liability	\$ 4,968,335	\$ 5,482,901	\$ 6,074,981

(XI.) (Continued)

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$184,881

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 203,031	\$ 425,744
Changes of assumptions	20,985	425,590
Contributions after measurement date	72,672	-
Total	<u>\$ 296,688</u>	<u>\$ 851,334</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>	
2024	\$ (135,622)
2025	(81,160)
2026	(95,472)
2027	(95,472)
2028	(95,472)
Thereafter	(124,120)
Total	<u>\$ (627,318)</u>

XII. 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 the Orleans-Niagara Experience Rated Health Insurance Group Plan (Plan) sponsored by the Orleans-Niagara Board of Cooperative Educational Services and its component districts. The Plan's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage. Membership in the Plan may be offered to only public school districts and BOCES served by Blue Cross/Blue Shield of Western New York or by any other health or medical insurance organizations as determined by the Board of Governors. There is a required waiting period of one year from request of enrollment to actual enrollment date. Also, during the year prior to requested membership acceptance the new members experience rating should equal or better the experience rating of the group as then constituted.

(XII.) (Continued)

Voluntary withdrawal from the Plan is subject to the following constraints:

1. If the member's experience rating is better than the group as a whole, upon one year's written notice and at the anniversary date of membership or
2. If the member's experience rating is below that of the group as a whole, upon one month's written notice.

Plan members include the Orleans-Niagara BOCES and eight districts with the Lyndonville Central School District bearing an equal and proportionate share of the Plan's assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement as signed by the participants, the Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessment shall be charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any fiscal year.

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, 2023, the District incurred premiums or contribution expenditures totaling \$1,745,672.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2022, revealed that the Plan is fully funded.

C. Workers' Compensation

The District incurs costs related to the Orleans-Niagara Workers' Compensation Consortium sponsored by the Orleans-Niagara Board of Cooperative Educational Services and its component districts. The Consortium's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Consortium may be offered to any component district of the Orleans-Niagara BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Consortium may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

(XIII.) (Continued)

Plan membership is currently comprised of BOCES and five districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

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, 2023, the District incurred premiums or contribution expenditures totaling \$70,078.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2022, revealed that the Plan is fully funded.

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 District had \$9,418 in expenditures for this program for the 2022-23 fiscal year. The balance of the fund at June 30, 2023 was \$456,052 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2023, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XIV. Commitments and Contingencies

A. Litigation

There are two pending claims against the District, for which the potential liability, if any, cannot be determined as of the date of this report.

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.

(XIV.) (Continued)

C. School Lunch Contract

For the year ended June 30, 2023, the District was engaged in a contract with Personal Touch Corporation, for the purpose of operating the school lunch program. The terms of the contract specify that all governmental subsidies and commodities will be made available to the management company to utilize in the program. The District is entitled to receive any profit resulting from the program after the management fee is deducted. The contract has been renewed for the 2023-24 fiscal year.

XV. Tax Abatement

The County of Orleans IDA, 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 \$3,828. The District received a payment in Lieu of tax (PILOT) payment totaling \$3,138 to help offset the property tax reduction.

Required Supplementary Information
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2023

TOTAL OPEB LIABILITY						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 135,832	\$ 145,098	\$ 170,260	\$ 237,009	\$ 214,843	\$ 187,082
Interest	167,839	129,994	161,866	278,231	254,557	239,289
Changes in benefit terms	81,290	-	(13,269)	(22,134)	(47,505)	-
Differences between expected and actual experiences	(339,563)	541,415	(928,875)	(563,383)	940,629	514,864
Changes of assumptions or other inputs	(357,389)	(312,420)	146,904	(1,077,552)	29,122	134,077
Benefit payments	(290,686)	(312,001)	(346,673)	(377,127)	(348,733)	(323,047)
Net Change in Total OPEB Liability	\$ (602,677)	\$ 192,086	\$ (809,787)	\$ (1,524,956)	\$ 1,042,913	\$ 752,265
Total OPEB Liability - Beginning	\$ 6,085,578	\$ 5,893,492	\$ 6,703,279	\$ 8,228,235	\$ 7,185,322	\$ 6,433,057
Total OPEB Liability - Ending	\$ 5,482,901	\$ 6,085,578	\$ 5,893,492	\$ 6,703,279	\$ 8,228,235	\$ 7,185,322
 Covered Employee Payroll	 \$ 6,976,859	 \$ 6,744,837	 \$ 6,070,105	 \$ 5,809,971	 \$ 5,621,102	 \$ 5,621,102
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 78.59%	 90.23%	 97.09%	 115.38%	 146.38%	 127.83%

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
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2023

NYSTERS Pension Plan

	<u>2023</u>	<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)	0.0029%	0.0029%	0.0026%	0.0028%	0.0027%	0.0030%	0.0034%	0.0034%	0.0034%
Proportionate share of the net pension liability (assets)	\$ (612,699)	\$ (233,684)	\$ 2,634	\$ 746,853	\$ 194,345	\$ 96,568	\$ 316,730	\$ 548,993	\$ 114,714
Covered-employee payroll	\$ 1,208,834	\$ 1,121,533	\$ 1,109,054	\$ 1,060,282	\$ 1,014,438	\$ 1,015,157	\$ 1,049,731	\$ 969,395	\$ 937,244
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-50.685%	-20.836%	0.237%	70.439%	19.158%	9.513%	30.172%	56.633%	12.240%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	<u>2023</u>	<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)	0.0338%	0.0321%	0.0309%	0.0309%	0.0302%	0.0296%	0.0298%	0.0303%	0.0298%
Proportionate share of the net pension liability (assets)	\$ (648,206)	\$ (5,558,793)	\$ 853,892	\$ (801,782)	\$ (546,277)	\$ (224,685)	\$ 319,071	\$ (3,142,632)	\$ (3,316,038)
Covered-employee payroll	\$ 5,752,119	\$ 5,984,255	\$ 5,444,648	\$ 5,244,966	\$ 5,282,901	\$ 5,005,582	\$ 4,486,092	\$ 4,695,764	\$ 4,618,173
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-11.269%	-92.890%	15.683%	-15.287%	-10.340%	-4.489%	7.112%	-66.925%	-71.804%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.25%	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
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2023

NYSERS Pension Plan

	<u>2023</u>	<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	\$ 142,114	\$ 184,738	\$ 166,312	\$ 158,181	\$ 152,960	\$ 156,760	\$ 158,741	\$ 181,765	\$ 176,395
Contributions in relation to the contractually required contribution	(142,114)	(184,738)	(166,312)	(158,181)	(152,960)	(156,760)	(158,741)	(181,765)	(176,395)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,208,834	\$ 1,121,533	\$ 1,109,054	\$ 1,060,282	\$ 1,014,438	\$ 1,015,157	\$ 1,049,731	\$ 969,395	\$ 937,244
Contributions as a percentage of covered-employee payroll	11.76%	16.47%	15.00%	14.92%	15.08%	15.44%	15.12%	18.75%	18.82%

NYSTRS Pension Plan

	<u>2023</u>	<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	\$ 646,303	\$ 641,285	\$ 558,283	\$ 503,158	\$ 580,651	\$ 520,945	\$ 587,138	\$ 649,333	\$ 796,714
Contributions in relation to the contractually required contribution	(646,303)	(641,285)	(558,283)	(503,158)	(580,651)	(520,945)	(587,138)	(649,333)	(796,714)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,752,119	\$ 5,984,255	\$ 5,444,648	\$ 5,244,966	\$ 5,282,901	\$ 5,005,582	\$ 4,486,092	\$ 4,695,764	\$ 4,618,173
Contributions as a percentage of covered-employee payroll	11.24%	10.72%	10.25%	9.59%	10.99%	10.41%	13.09%	13.83%	17.25%

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
LYNDONVILLE 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, 2023

	<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	\$ 3,966,040	\$ 3,966,040	\$ 3,997,690	\$ 31,650
Real property tax items	657,700	657,700	637,451	(20,249)
Charges for services	5,000	5,000	35,812	30,812
Use of money and property	3,000	3,000	127,989	124,989
Sale of property and compensation for loss	-	-	55,037	55,037
Miscellaneous	50,000	50,000	457,927	407,927
State Sources -				
Basic formula	8,244,339	8,244,339	8,499,052	254,713
Lottery aid	1,000,000	1,000,000	1,544,082	544,082
BOCES	651,000	651,000	778,848	127,848
Textbooks	32,202	32,202	32,912	710
All Other Aid -				
Computer software	16,792	16,792	18,830	2,038
Library loan	3,637	3,637	3,518	(119)
Federal Sources	20,000	20,000	90,115	70,115
TOTAL REVENUES	\$ 14,649,710	\$ 14,649,710	\$ 16,279,263	\$ 1,629,553
Other Sources -				
TOTAL REVENUES AND OTHER SOURCES	\$ 14,649,710	\$ 14,649,710	\$ 16,279,263	\$ 1,629,553
Appropriated reserves	\$ 398,766	\$ 537,932		
Appropriated fund balance	\$ 656,477	\$ 1,559,255		
Prior year encumbrances	\$ 78,253	\$ 78,253		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	\$ 15,783,206	\$ 16,825,150		

Required Supplementary Information
LYNDONVILLE 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, 2023

	<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	\$ 30,550	\$ 31,550	\$ 19,790	\$ -	\$ 11,760
Central administration	222,933	232,973	232,381	-	592
Finance	301,243	298,129	259,813	-	38,316
Staff	96,721	103,422	68,775	-	34,647
Central services	1,195,091	1,384,655	1,120,734	147,372	116,549
Special items	136,000	150,123	150,122	-	1
Instructional -					
Instruction, administration and improvement	327,400	392,784	390,596	-	2,188
Teaching - regular school	3,841,954	3,839,392	3,802,361	21,419	15,612
Programs for children with handicapping conditions	1,995,655	1,845,617	1,463,246	2,789	379,582
Occupational education	441,460	441,460	431,460	-	10,000
Teaching - special schools	25,000	25,000	6,714	-	18,286
Instructional media	557,942	595,580	595,215	-	365
Pupil services	758,804	756,804	522,147	3,780	230,877
Pupil Transportation	901,300	915,300	687,963	-	227,337
Community Services	5,000	5,000	960	-	4,040
Employee Benefits	3,766,153	3,588,195	2,989,644	-	598,551
Debt service - principal	1,000,000	1,000,000	941,820	-	58,180
Debt service - interest	170,000	170,000	135,374	-	34,626
TOTAL EXPENDITURES	<u>\$ 15,773,206</u>	<u>\$ 15,775,984</u>	<u>\$ 13,819,115</u>	<u>\$ 175,360</u>	<u>\$ 1,781,509</u>
Other Uses -					
Transfers - out	\$ 10,000	\$ 1,049,166	\$ 1,026,110	\$ -	\$ 23,056
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 15,783,206</u>	<u>\$ 16,825,150</u>	<u>\$ 14,845,225</u>	<u>\$ 175,360</u>	<u>\$ 1,804,565</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 1,434,038		
FUND BALANCE, BEGINNING OF YEAR	<u>8,806,603</u>	<u>8,806,603</u>	<u>8,806,603</u>		
FUND BALANCE, END OF YEAR	<u>\$ 8,806,603</u>	<u>\$ 8,806,603</u>	<u>\$ 10,240,641</u>		

Note to Required Supplementary Information:

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

Supplementary Information
LYNDONVILLE 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, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 15,704,953
Prior year's encumbrances	78,253
	15,783,206
Original Budget	\$ 15,783,206
Budget revisions -	
Emergency roof repair - Elementary	580,000
Emergency roof repair - Webber	320,000
Bus purchase	139,166
Miscellaneous	2,778
	16,825,150
FINAL BUDGET	\$ 16,825,150

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2023-24 voter approved expenditure budget	\$ 16,939,491
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 342,383
Unassigned fund balance	677,580
Total Unrestricted fund balance	\$ 1,019,963
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 167,023
Encumbrances included in assigned fund balance	175,360
Total adjustments	\$ 342,383
General fund fund balance subject to Section 1318 of	
Real Property Tax Law	\$ 677,580
ACTUAL PERCENTAGE	4.00%

Supplementary Information
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2023

Project Title	Expenditures					Methods of Financing				Fund Balance
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Local Sources	State Sources	Total	
Emergency Roof - Elementary	\$ 580,000	\$ 580,000	\$ -	\$ 561,796	\$ 561,796	\$ 18,204	\$ 561,796	\$ -	\$ 561,796	\$ -
Emergency Roof - Webber	320,000	320,000	-	2,160	2,160	317,840	320,000	-	320,000	317,840
Bus Purchase 2022-23	145,000	145,000	-	-	-	145,000	134,166	-	134,166	134,166
Smart Schools Bond Project	733,151	733,151	731,710	-	731,710	1,441	-	731,710	731,710	-
TOTAL	\$ 1,778,151	\$ 1,778,151	\$ 731,710	\$ 563,956	\$ 1,295,666	\$ 482,485	\$ 1,015,962	\$ 731,710	\$ 1,747,672	\$ 452,006

Supplementary Information
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special				Total Nonmajor Governmental Funds
	Revenue Funds				
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
ASSETS					
Cash and cash equivalents	\$ 178,573	\$ 28,554	\$ 98,212	\$ 168,856	\$ 474,195
Receivables	18,035	-	-	24,726	42,761
Inventories	12,529	-	-	-	12,529
Due from other funds	1,271	-	48	320,000	321,319
TOTAL ASSETS	\$ 210,408	\$ 28,554	\$ 98,260	\$ 513,582	\$ 850,804
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u> -					
Accounts payable	\$ 8,159	\$ -	\$ -	\$ -	\$ 8,159
Due to other funds	-	-	-	61,576	61,576
Due to other governments	141	-	-	-	141
Unearned revenue	16,748	-	-	-	16,748
TOTAL LIABILITIES	\$ 25,048	\$ -	\$ -	\$ 61,576	\$ 86,624
<u>Fund Balances</u> -					
Nonspendable	\$ 12,529	\$ -	\$ -	\$ -	\$ 12,529
Restricted	-	28,554	98,260	452,006	578,820
Assigned	172,831	-	-	-	172,831
TOTAL FUND BALANCE	\$ 185,360	\$ 28,554	\$ 98,260	\$ 452,006	\$ 764,180
TOTAL LIABILITIES AND FUND BALANCES	\$ 210,408	\$ 28,554	\$ 98,260	\$ 513,582	\$ 850,804

Supplementary Information
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2023

	Special				Total
	Revenue Funds				
	School	Miscellaneous	Debt	Capital	Governmental
	Lunch	Special Revenue	Service	Projects	Funds
	Fund	Fund	Fund	Fund	Funds
REVENUES					
Use of money and property	\$ 1,279	\$ 297	\$ 1,393	\$ -	\$ 2,969
Miscellaneous	9	3,942	-	-	3,951
State sources	9,103	-	-	-	9,103
Federal sources	299,295	-	-	-	299,295
Sales	68,348	-	-	-	68,348
TOTAL REVENUES	\$ 378,034	\$ 4,239	\$ 1,393	\$ -	\$ 383,666
EXPENDITURES					
Employee benefits	\$ 1,718	\$ -	\$ -	\$ -	\$ 1,718
Cost of sales	21,160	-	-	-	21,160
Other expenses	382,640	3,636	-	-	386,276
Capital outlay	-	-	-	563,956	563,956
TOTAL EXPENDITURES	\$ 405,518	\$ 3,636	\$ -	\$ 563,956	\$ 973,110
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	\$ (27,484)	\$ 603	\$ 1,393	\$ (563,956)	\$ (589,444)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ -	\$ -	\$ -	\$ 1,015,962	\$ 1,015,962
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ 1,015,962	\$ 1,015,962
NET CHANGE IN FUND BALANCE	\$ (27,484)	\$ 603	\$ 1,393	\$ 452,006	\$ 426,518
FUND BALANCE, BEGINNING					
OF YEAR	212,845	27,950	96,867	-	337,662
FUND BALANCE, END OF YEAR	\$ 185,361	\$ 28,553	\$ 98,260	\$ 452,006	\$ 764,180

Supplementary Information
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2023

Capital assets/right to use assets, net		\$ 20,310,736
Deduct:		
Bond payable	\$ 6,015,000	
Leases	<u>12,169</u>	
		<u>6,027,169</u>
Net Investment in Capital Assets/ Right to use Assets		<u><u>\$ 14,283,567</u></u>

Supplementary Information
LYNDONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2023

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Agency Number</u>	<u>Total Expenditures</u>
<u>U.S. Department of Education:</u>			
Title VIB - Rural and Low Income Schools	84.358A	N/A	\$ 26,762
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0708	\$ 156,838
Special Education - Grants to State (IDEA, Part B) - ARP-COVID-19	84.027X	5532-22-0708	27,977
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-0708	10,289
Special Education - Preschool Grants (IDEA Preschool) - ARP-COVID-19	84.173X	5533-22-0708	3,147
<i>Total Special Education Cluster IDEA</i>			\$ 198,251
<u>Education Stabilization Fund -</u>			
ARP - ESSER III-COVID-19	84.425U	5880-21-2325	\$ 199,713
ARP - SLR Summer Enrichment-COVID-19	84.425U	5882-21-2325	24,797
ARP - SLR Comprehensive Learning-COVID-19	84.425U	5883-21-2325	64,702
ARP - SLR Learning Loss-COVID-19	84.425U	5884-21-2325	180,631
CRRSA - ESSER II-COVID-19	84.425D	5891-21-2325	272,757
ARP - Homeless Children II-COVID-19	84.425W	5218-21-2325	2,573
<i>Total Education Stabilization Fund</i>			\$ 745,173
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-22-2325	9,971
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-2325	10,664
Title IV - Student Support and Enrichment Program	84.424	0204-23-2325	14,730
Title I - Grants to Local Educational Agencies	84.010	0021-23-2325	236,582
Total U.S. Department of Education			\$ 1,242,133
<u>U.S. Department of Agriculture:</u>			
<u>Passed Through NYS Education Department (Child Nutrition Services) -</u>			
<u>Child Nutrition Cluster -</u>			
National School Lunch Program	10.555	451001040000	\$ 173,578
Supply Chain Assistance-COVID-19	10.555	451001040000	27,005
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	451001040000	20,308
National School Breakfast Program	10.559	451001040000	77,776
<i>Total Child Nutrition Cluster</i>			\$ 298,667
Pandemic EBT Administrative Costs	10.649	451001040000	628
Total U.S. Department of Agriculture			\$ 299,295
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,541,428



BUSINESS
ADVISORS
AND CPAS

**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
Lyndonville 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 Lyndonville Central School District as of and for the year ended June 30, 2023, 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 12, 2023.

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 Lyndonville 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 12, 2023