

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**Financial Statements and
Required Report
As of and for the Year Ended
June 30, 2021**

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

November 8, 2021

To the Board of Education of
Lansingburgh Central School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lansingburgh Central School District (School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Lansingburgh Central School District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 15, during 2021 the School District adopted Governmental Accounting Standards Board Statement 84 – *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of the net pension (asset) liability, contributions – pension plans and changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's financial statements. The other information, as required by the New York State Education Department, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other information included has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The following is a discussion and analysis of the Lansingburgh Central School District's (School District) financial performance for the fiscal year ended June 30, 2021. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was (\$25,831,550).
- Government-wide net position was \$6,324,575 less than at June 30, 2020.
- The School District substantially continued to offer all programs, without reducing services, while maintaining fund balance within state mandated limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *Government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1 shows how the various sections of this annual report are arranged and related to one another.

Figure A-1 Organization of the School District's Annual Financial Report

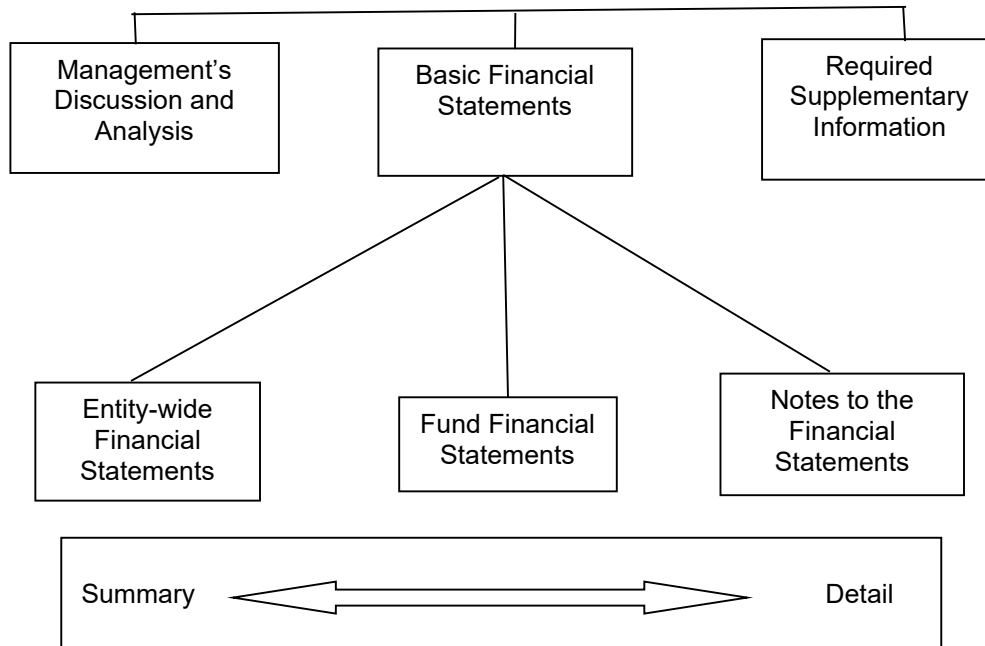


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The daily operating activities of the School District, such as instruction and special education.	School District administers resources on behalf of someone else.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and change in fund balance 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of change 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, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; 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 revenue and expenses during the year, regardless of when cash is received or paid.	Revenue 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Statements

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

The two Government-wide statements report the School District's *net position* and how they have changed. Net position – the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
 - Net investment in capital assets.
 - Restricted net position has constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has two types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, miscellaneous special revenue fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2021 are detailed in Tables A-3 and A-4.

Figure A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Current and other assets	\$ 19,618	\$ 33,517	-41.47%
Noncurrent assets	67,579	70,715	-4.43%
Total assets	<u>87,197</u>	<u>104,232</u>	-16.34%
Deferred outflows of resources	<u>39,193</u>	<u>32,471</u>	20.70%
Current liabilities	6,468	21,561	-70.00%
Long-term liabilities	<u>135,630</u>	<u>130,455</u>	3.97%
Total liabilities	<u>142,098</u>	<u>152,016</u>	-6.52%
Deferred inflows of resources	<u>10,124</u>	<u>4,382</u>	131.03%
Net position:			
Net investment in capital assets	38,611	36,744	5.08%
Restricted	10,280	9,262	10.99%
Unrestricted	<u>(74,722)</u>	<u>(65,700)</u>	-13.73%
Total net position	<u>\$ (25,832)</u>	<u>\$ (19,694)</u>	-31.16%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position

The School District's 2021 revenue was \$53,136,166 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 27% and 59%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$59,460,741 for 2021. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 12% of total costs.

Net position decreased during the year by \$6,324,575 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS proportionate assets, deferred outflows, liabilities and deferred inflows.

Figure A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Percent <u>Change</u>
Revenue:			
Charges for services	\$ 321	\$ 299	7.46%
Operating grants	3,970	3,847	3.19%
General revenue:			
Property taxes	16,209	15,842	2.32%
State aid	31,645	32,918	-3.87%
Medicaid reimbursement	115	350	-67.25%
Interest earnings	8	30	-73.83%
Miscellaneous	868	1,527	-43.15%
Total revenue	<u>53,136</u>	<u>54,813</u>	-3.06%
Expenses:			
General support	7,239	7,168	1.00%
Instruction	46,378	46,604	-0.49%
Transportation	3,564	4,212	-15.38%
Debt service - Interest	1,509	1,599	-5.63%
Cost of sales - Food	771	1,085	-28.96%
Total expenses	<u>59,461</u>	<u>60,668</u>	-1.99%
Change in net position	<u>\$ (6,325)</u>	<u>\$ (5,855)</u>	-8.02%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Figure A-5: Revenue Sources for 2021:

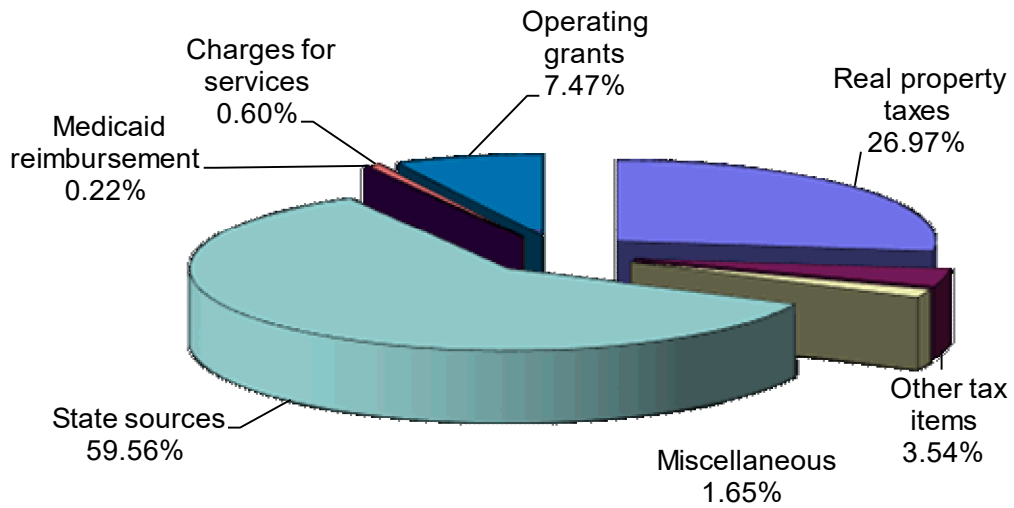
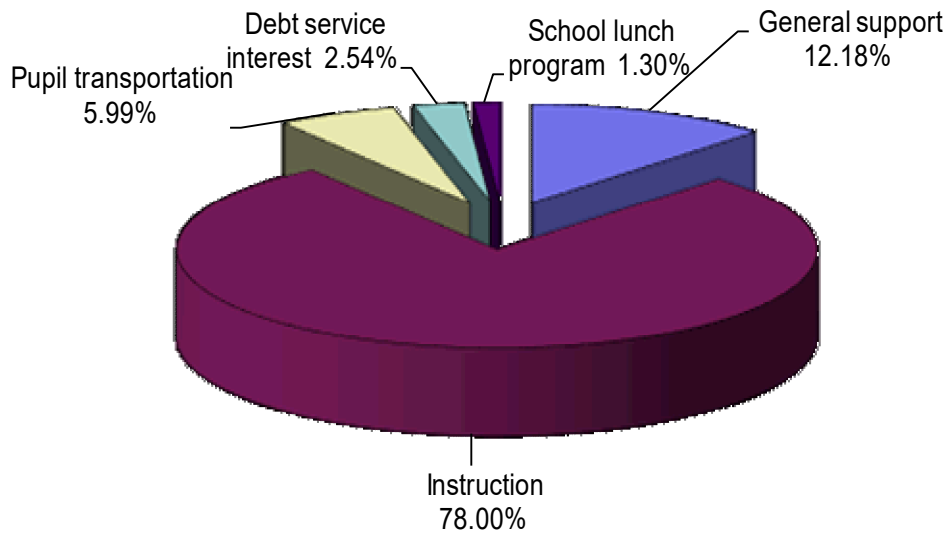


Figure A-6: Sources of Expenses for 2021:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled \$53,136,166 while total expenses were \$59,460,741. Accordingly, net position decreased by \$6,324,575.

Figure A-7 presents the cost of several of the School District's major activities. The figure also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Figure A-7 Net Cost of Governmental Activities (In Thousands of Dollars)

	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>
General support	\$ 7,239	\$ (7,239)	\$ 7,168	\$ (7,168)
Instruction	46,378	(42,717)	46,604	(43,419)
Pupil transportation	3,564	(3,564)	4,212	(4,212)
Debt service - Interest	1,509	(1,509)	1,599	(1,599)
Cost of sales - Food	771	(140)	1,085	(124)
	<u>\$ 59,461</u>	<u>\$ (55,170)</u>	<u>\$ 60,668</u>	<u>\$ (56,522)</u>

- The cost of all governmental activities for the year was \$59,460,741.
- The users of the School District's programs financed \$321,306 of the costs through charges for services.
- The federal and state government financed \$3,969,827 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for the government-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

Governmental Funds Highlights

General Fund – New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. The School District continues to maximize revenues by claiming refunds and billing for services.

Special Aid Fund – Federal aid is expected to slightly increase or remain flat in upcoming years.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights (Continued)

School Lunch Fund – The School Lunch Fund continues to have a strong balance in preparation of further renovations.

Capital Projects Fund – Expenditures in the Capital Projects Fund were mostly related to smart schools bond and renovations.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

Revenue Variances

Revenues are lower than budgeted primarily due to decreased building and transportation aids.

Expenditure Variances

The School District was unable to fully expend its budget on planned programming due to the emergency closing of three of its four school buildings until March 2021. This impacted transportation costs, non-instructional salaries and benefits, building utilities and school district supplies.

Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 17,612	\$ 17,612	\$ 17,349	\$ -	\$ (263)
State sources	33,944	33,944	31,998	-	(1,945)
Federal sources	-	-	69	-	69
Medicaid reimbursement	150	150	115	-	(35)
Transfers In	90	90	76	-	(14)
Total	<u>51,795</u>	<u>51,795</u>	<u>49,607</u>	<u>-</u>	<u>(2,188)</u>
Expenditures:					
General support	4,962	5,573	4,801	418	354
Instruction	27,402	27,428	23,985	967	2,476
Transportation	4,749	4,445	3,345	1	1,099
Employee benefits	10,509	10,571	10,007	-	564
Debt service	5,083	5,418	5,418	-	-
Transfers out	90	216	204	-	12
Total	<u>52,795</u>	<u>53,650</u>	<u>47,761</u>	<u>1,385</u>	<u>4,504</u>
Revenue over (under) expenditures	<u>\$ (1,000)</u>	<u>\$ (1,855)</u>	<u>\$ 1,846</u>	<u>\$ (1,385)</u>	<u>\$ 2,316</u>

The general fund is the only fund for which a budget is legally adopted.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the School District had \$67,579,273 invested in buildings, computers, and other educational equipment.

Figure A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
Land	\$ 221	\$ 221
Buildings and improvements	65,796	66,001
Construction in progress	1,482	803
Furniture and equipment	<u>80</u>	<u>884</u>
Total	<u>\$ 67,579</u>	<u>\$ 67,909</u>

Long-Term Debt

As of June 30, 2021, the School District had \$139,095,078 in long-term debt. Detailed information about the School District's long-term debt is included in the notes to the financial statements.

Figure A-9 Outstanding Long-Term Debt (In Thousands of Dollars)

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
General obligation bonds	\$ 29,908	\$ 33,208
Other long-term debt including OPEB	<u>109,187</u>	<u>100,387</u>
Total	<u>\$ 139,095</u>	<u>\$ 133,595</u>

During 2021, the School District paid down its bonded debt by \$3,140,000.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the School District was aware of the following existing circumstances which could significantly affect its financial position in the future:

The School District is heavily dependent on state aid to fund expenditures. Future adjustments to State Aid are dependent on actions of the Governor and Legislature.

The Property Tax Levy Cap, Chapter 97 of the Laws of 2011, continues to limit the School District's ability to raise tax revenue to meet future operating expenditures.

The School District continues to face billing issues from specific Charter Schools. Per state law, the School District is only responsible for paying tuition to Charter Schools for students who are residents of the School District. These Charter Schools continue to invoice the School District for students who are either not residents or have failed to provide any valid proof of residency. In such cases, the School District withholds payment for these students. The Charter Schools' practice of requesting State Aid intercepts by NYSED continues as noted above despite our candid conversations with NYSED Administration. Therefore, School District Administration continues to be vigilant to ensure our tax dollars are spent on School District residents only. We continue to lobby for the recoupment of lost funds from past intercepts that, in our opinion, were approved in error by SED.

Revenue sources discussed above are for the General Fund only. The School District also depends on federal grant allocations. As these funds are reduced, the employees' salaries and program costs included in these programs must either be eliminated or moved to the General Fund. This information is often discovered after our budget is approved by the voters.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Ms. Lisa Kyer
Director of Business and Human Resources
Lansingburgh Central School District
55 New Turnpike Road
Troy, New York 12182

LANSINGBURGH CENTRAL SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2021****ASSETS**

CURRENT ASSETS:

Cash - unrestricted	\$ 11,144,861
Cash - restricted	4,587,417
Accounts receivable	814
Due from other governments	414,345
State and federal aid receivable	3,448,348
Inventory	<u>22,147</u>
Total current assets	<u>19,617,932</u>

NONCURRENT ASSETS:

Capital assets, net	<u>67,579,273</u>
---------------------	-------------------

TOTAL ASSETS

87,197,205**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - TRS	10,424,742
Deferred outflows of resources - ERS	2,255,753
Deferred outflows of resources - OPEB	<u>26,512,188</u>

Total Deferred Outflows of Resources

39,192,683

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

126,389,888**LIABILITIES**

CURRENT LIABILITIES:

Accounts payable	55,037
Accrued liabilities	616,930
Unearned revenue	113,631
Due to Teachers' Retirement System	2,028,419
Due to Employees' Retirement System	132,648
Bond interest accrual	56,095
Bonds payable due within one year	<u>3,465,000</u>

Total current liabilities

6,467,760

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	24,200,000
Bond premium, net	2,243,158
Net pension liability	3,009,761
Total other postemployment benefits liability	106,115,755
Compensated absences	<u>61,404</u>

Total long-term liabilities

135,630,078

TOTAL LIABILITIES

142,097,838**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - ERS	2,954,256
Deferred inflows of resources - TRS	2,003,257
Deferred inflows of resources - OPEB	<u>5,166,087</u>

Total Deferred Inflows of Resources

10,123,600

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

152,221,438**NET POSITION**

Net investment in capital assets	38,611,092
Restricted	10,279,822
Unrestricted	<u>(74,722,464)</u>

TOTAL NET POSITION

\$ (25,831,550)

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 7,239,453	\$ -	\$ -	\$ (7,239,453)
Instruction	46,377,616	318,179	3,342,567	(42,716,870)
Pupil transportation	3,563,996	-	-	(3,563,996)
School lunch program	770,744	3,127	627,260	(140,357)
Debt service interest	<u>1,508,932</u>	<u>-</u>	<u>-</u>	<u>(1,508,932)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 59,460,741</u>	<u>\$ 321,306</u>	<u>\$ 3,969,827</u>	<u>(55,169,608)</u>
GENERAL REVENUE:				
Real property taxes				14,329,337
Other tax items				1,879,700
Use of money and property				7,851
Sale of property and compensation for loss				26,408
Miscellaneous				841,659
State sources				31,645,444
Medicaid reimbursement				<u>114,634</u>
TOTAL GENERAL REVENUE				<u>48,845,033</u>
CHANGE IN NET POSITION				<u>(6,324,575)</u>
NET POSITION - beginning of year, as previously reported				(19,693,918)
RESTATEMENT (Note 15)				<u>186,943</u>
NET POSITION - beginning of year, as restated				<u>(19,506,975)</u>
NET POSITION - end of year				<u>\$ (25,831,550)</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

	Governmental Fund Types						Total Governmental Funds
	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Miscellaneous Special Revenue</u>	<u>Debt Service</u>	
ASSETS							
Cash - unrestricted	\$ 8,247,953	\$ 884,679	\$ 1,072,252	\$ 939,977	\$ -	\$ -	\$ 11,144,861
Cash - restricted	3,305,219	-	-	-	199,758	1,082,440	4,587,417
Accounts receivable	814	-	-	-	-	-	814
Due from other funds	2,875,512	1,476	-	1,056,011	-	5,692,405	9,625,404
State and federal aid receivable	1,826,281	1,548,986	73,081	-	-	-	3,448,348
Due from other governments	414,345	-	-	-	-	-	414,345
Inventory	-	-	22,147	-	-	-	22,147
TOTAL ASSETS	\$ 16,670,124	\$ 2,435,141	\$ 1,167,480	\$ 1,995,988	\$ 199,758	\$ 6,774,845	\$ 29,243,336
LIABILITIES AND FUND BALANCE							
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ 55,037	\$ -	\$ -	\$ -	\$ 55,037
Accrued liabilities	614,954	-	1,976	-	-	-	616,930
Unearned revenue	106,031	7,600	-	-	-	-	113,631
Due to other funds	4,993,554	2,427,541	-	2,204,309	-	-	9,625,404
Due to Teachers' Retirement System	2,028,419	-	-	-	-	-	2,028,419
Due to Employees' Retirement System	132,648	-	-	-	-	-	132,648
TOTAL LIABILITIES	7,875,606	2,435,141	57,013	2,204,309	-	-	12,572,069

(Continued)

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2021

	Governmental Fund Types						Total Governmental Funds
	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Miscellaneous Special Revenue</u>	<u>Debt Service</u>	
FUND BALANCE:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ 22,147	\$ -	\$ -	\$ -	\$ 22,147
Restricted:							
Workers' compensation	207,017	-	-	-	-	-	207,017
Retirement contributions	856,266	-	-	-	-	-	856,266
Employee benefits and accrued liabilities	416,926	-	-	-	-	-	416,926
Tax certiorari	761,962	-	-	-	-	-	761,962
Repairs	1,063,048	-	-	-	-	-	1,063,048
Other	-	-	-	-	199,758	-	199,758
Debt service	-	-	-	-	-	6,774,845	6,774,845
Total restricted fund balance	<u>3,305,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,758</u>	<u>6,774,845</u>	<u>10,279,822</u>
Assigned:							
Other	1,385,251	-	1,088,320	-	-	-	2,473,571
Appropriated for subsequent year expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total assigned fund balance	<u>2,385,251</u>	<u>-</u>	<u>1,088,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,473,571</u>
Unassigned	<u>3,104,048</u>	<u>-</u>	<u>-</u>	<u>(208,321)</u>	<u>-</u>	<u>-</u>	<u>2,895,727</u>
TOTAL FUND BALANCE	<u>8,794,518</u>	<u>-</u>	<u>1,110,467</u>	<u>(208,321)</u>	<u>199,758</u>	<u>6,774,845</u>	<u>16,671,267</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,670,124</u>	<u>\$ 2,435,141</u>	<u>\$ 1,167,480</u>	<u>\$ 1,995,988</u>	<u>\$ 199,758</u>	<u>\$ 6,774,845</u>	<u>\$ 29,243,336</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balance	\$ 16,671,267
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	67,579,273
Pension related government-wide activity	
Deferred outflows - ERS/TRS	12,680,495
Deferred inflows - ERS/TRS	(4,957,513)
Net pension liability - ERS/TRS	(3,009,761)
OPEB related government-wide activity	
Total OPEB liability	(106,115,755)
Deferred outflows - OPEB	26,512,188
Deferred inflows - OPEB	(5,166,087)
Long-term bonds payable are not due in the current period and, therefore, are not reported in the funds	(27,665,000)
Bond premiums are recognized as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting.	(2,243,158)
Compensated absences are recognized as a liability under full accrual accounting	(61,404)
Interest payable at June 30, 2021, in the government-wide statements under full accrual accounting	<u>(56,095)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (25,831,550)</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	Debt Service	
REVENUE:							
Real property taxes	\$ 14,329,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,329,337
Other tax items	1,879,700	-	-	-	-	-	1,879,700
Charges for services	318,179	-	-	-	-	-	318,179
Use of money and property	625	-	-	-	-	7,226	7,851
Sale of property and compensation for loss	26,408	-	-	-	-	-	26,408
Miscellaneous	794,692	-	28	-	46,939	-	841,659
State sources	31,998,134	1,162,037	15,025	-	-	-	33,175,196
Medicaid reimbursement	114,634	-	-	-	-	-	114,634
Federal sources	69,443	2,111,087	612,235	-	-	-	2,792,765
Sales - School lunch	-	-	3,127	-	-	-	3,127
Total revenue	<u>49,531,152</u>	<u>3,273,124</u>	<u>630,415</u>	<u>-</u>	<u>46,939</u>	<u>7,226</u>	<u>53,488,856</u>
EXPENDITURES:							
General support	4,801,389	-	-	-	-	-	4,801,389
Instruction	23,985,475	3,413,831	-	-	-	-	27,399,306
Pupil transportation	3,345,280	-	-	-	-	-	3,345,280
Employee benefits	10,006,994	-	10,197	-	-	-	10,017,191
Debt service - Interest	1,988,054	-	-	-	-	-	1,988,054
Debt service - Principal	3,430,000	-	-	-	-	-	3,430,000
Other	-	-	-	-	34,124	-	34,124
Cost of Sales	-	-	654,362	-	-	-	654,362
Capital outlay	-	-	-	743,097	-	-	743,097
Total expenditures	<u>47,557,192</u>	<u>3,413,831</u>	<u>664,559</u>	<u>743,097</u>	<u>34,124</u>	<u>-</u>	<u>52,412,803</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,973,960</u>	<u>(140,707)</u>	<u>(34,144)</u>	<u>(743,097)</u>	<u>12,815</u>	<u>7,226</u>	<u>1,076,053</u>
OTHER FINANCING SOURCES (USES):							
BANs redeemed from appropriations	-	-	-	290,000	-	-	290,000
Operating transfers in	76,224	140,707	-	62,990	-	-	279,921
Operating transfers (out)	(203,697)	-	-	-	-	(76,224)	(279,921)
Total other financing sources (uses)	<u>(127,473)</u>	<u>140,707</u>	<u>-</u>	<u>352,990</u>	<u>-</u>	<u>(76,224)</u>	<u>290,000</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>1,846,487</u>	<u>-</u>	<u>(34,144)</u>	<u>(390,107)</u>	<u>12,815</u>	<u>(68,998)</u>	<u>1,366,053</u>
FUND BALANCE - beginning of year, as previously reported	6,948,031	-	1,144,611	181,786	-	6,843,843	15,118,271
RESTATEMENT (Note 15)	-	-	-	-	186,943	-	186,943
FUND BALANCE - beginning of year, as restated	<u>6,948,031</u>	<u>-</u>	<u>1,144,611</u>	<u>181,786</u>	<u>186,943</u>	<u>6,843,843</u>	<u>15,305,214</u>
FUND BALANCE - end of year	<u>\$ 8,794,518</u>	<u>\$ -</u>	<u>\$ 1,110,467</u>	<u>\$ (208,321)</u>	<u>\$ 199,758</u>	<u>\$ 6,774,845</u>	<u>\$ 16,671,267</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

Net changes in fund balance - Total governmental funds	\$ 1,366,053
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	1,389,674
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(1,718,860)
Certain revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.	(352,690)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,140,000
Bond premium amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	160,226
Compensated absences are recorded as expenditures in the governmental funds at the time of payment, but are recorded as liabilities in the statement of net position	10,207
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(8,685,005)
Pension expense resulting from GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	(1,953,076)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>318,896</u>
Change in net position - Governmental activities	<u>\$ (6,324,575)</u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS JUNE 30, 2021

	Private Purpose <u>Trusts</u>
ASSETS:	
Cash - restricted	\$ <u>3,000</u>
LIABILITIES:	
Other liabilities	<u>-</u>
NET POSITION:	
Restricted for scholarships	\$ <u><u>3,000</u></u>

LANSINGBURGH CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose <u>Trusts</u>
ADDITIONS:	
Contributions	\$ <u>-</u>
DEDUCTIONS:	
Scholarships	<u>-</u>
NET DECREASE	<u>-</u>
NET POSITION - beginning of year, as previously reported	147,495
RESTATEMENT - (Note 15)	<u>(144,495)</u>
NET POSITION - beginning of year, as restated	<u>3,000</u>
NET POSITION - end of year	\$ <u><u>3,000</u></u>

The accompanying notes are an integral part of these statements.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lansingburgh Central School District provides K-12 public education to students living within its geographic borders.

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

Significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

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

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The School District is a component School District in Questar III, a Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a School District can terminate its status as a BOCES component.

BOCES are organized under §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.

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 the New York State Education Law, §1950(4)(b)(7). In addition, component School Districts pay tuition or a service fee for programs in which its students participate.

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

Basis of Presentation

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, 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 revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the School District's funds, including fiduciary funds.

Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The accounts of the School District are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the School District are as follows:

Governmental Fund Types

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities (except those accounted for in the fiduciary funds) are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The following are the School District's major governmental fund types:

General Fund: This is the School 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: These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

Miscellaneous Special Revenue: This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

The School District reports the following fiduciary fund:

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

Private purpose trust fund: This fund is used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within ninety days 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.

Cash

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

New York State law governs the School District's investment policies. Resources must be deposited in 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 School Districts.

Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Inventory

Inventory of food in the school lunch fund is 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.

Interfund Transactions

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

In the Government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types. 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 School District's practice to settle these amounts at a net balance based upon the right of legal offset.

Capital Assets, Net

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2013. For assets acquired prior to July 1, 2013, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds, (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	SL	15-50
Building improvements	\$ 5,000	SL	15-50
Site Improvements	\$ 5,000	SL	15-50
Furniture and equipment	\$ 5,000	SL	5-15

Property Taxes

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

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

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Vested Employee Benefits

Compensated absences

Compensated absences consist of unpaid accumulated annual vacation time.

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

The liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other Benefits

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

Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School 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 is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Unearned Revenue

Unearned revenue is reported when potential revenue meets both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the Government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the School 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.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Resources

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

Fund Balance/Net Position Classifications

Government-Wide Statements

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

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

Restricted net position - reports net position when constraints placed on the assets 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. Restricted net position consists of the non-spendable and restricted fund balance categories on the Fund financial statements.

Unrestricted net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

Governmental Fund Statements

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenditures in the general fund.

Restricted fund balance – 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. The School District has available the following restricted fund balances:

Repair

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

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Workers' Compensation

Workers' compensation reserve (GML §6-j) is 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. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance

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

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

Insurance

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

Liability Claims and Property Loss

Liability claims and property loss reserve, (Education Law §1709(8) (c), are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Tax Certiorari

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

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

Retirement Contribution Reserve (GML §6-r) is used for the purpose of 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. This reserve is accounted for in the general fund under restricted fund balance.

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2021.

Assigned fund balance – Includes amounts that are constrained by the School 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 in the general fund. As of June 30, 2021, the School District's general fund encumbrances were classified as follows:

General support	\$ 417,696
Instruction	966,765
Pupil transportation	<u>790</u>
Total encumbrances	<u>\$ 1,385,251</u>

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, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

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.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

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

Order of Fund Balance Spending Policy

The School District's policy is to apply expenditures against non-spendable 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, non-spendable 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 assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences

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

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

Statement of Revenue, Expenditures, and Change in Fund Balance vs. Statement of Activities

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the 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 project funds expenditures as approved by a special referendum of the School 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.

Fund Balance

Portions of fund balances are restricted and not available for current expenditures, as reported in the governmental funds' balance sheet.

4. CASH

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these Notes.

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash, including trust funds	\$ <u>17,830,894</u>	\$ <u>15,735,278</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	\$ 17,330,894	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 17,830,894</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 consists of the following:

General fund:

Workers' compensation	\$ 207,017
Retirement contributions	856,266
Employee benefits accrued liabilities	416,926
Tax certiorari	761,962
Repairs	<u>1,063,048</u>
	<u>\$ 3,305,219</u>

Debt Service fund:

Debt service	<u>\$ 1,082,440</u>
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Miscellaneous Special Revenue fund:

Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 199,758</u>
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5. PARTICIPATION IN BOCES

During the year, the School District was billed \$4,083,142 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$1,438,370.

6. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 221,200	\$ -	\$ -	\$ 221,200
Construction in progress	<u>802,677</u>	<u>729,865</u>	<u>50,984</u>	<u>1,481,558</u>
Total non-depreciable cost	<u>1,023,877</u>	<u>729,865</u>	<u>50,984</u>	<u>1,702,758</u>
Capital assets that are depreciated:				
Buildings and improvements	83,047,336	50,984	-	83,098,320
Furniture and equipment	<u>3,869,354</u>	<u>680,015</u>	<u>20,206</u>	<u>4,529,163</u>
Total depreciable historical cost	<u>86,916,690</u>	<u>730,999</u>	<u>20,206</u>	<u>87,627,483</u>
Less accumulated depreciation:				
Buildings and improvements	17,046,517	255,313	-	17,301,830
Furniture and equipment	<u>2,985,591</u>	<u>1,463,547</u>	<u>-</u>	<u>4,449,138</u>
Total accumulated depreciation	<u>20,032,108</u>	<u>1,718,860</u>	<u>-</u>	<u>21,750,968</u>
Total capital assets, net	<u>\$ 67,908,459</u>	<u>\$ (257,996)</u>	<u>\$ 71,190</u>	<u>\$ 67,579,273</u>

Depreciation expense for the year ended June 30, 2021, was allocated to specific functions as follows:

General support	\$ 747,272
Instruction	945,709
School Lunch	<u>25,879</u>
Total	<u>\$ 1,718,860</u>

7. SHORT-TERM DEBT

The School District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenue. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

At June 30, 2021, the School District had the following BANs outstanding:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Principal Paid</u>	<u>Redeemed</u>	<u>Ending Balance</u>
July 17, 2020	2.00%	<u>\$ 15,683,384</u>	<u>\$ -</u>	<u>\$ 290,000</u>	<u>\$ 15,393,384</u>	<u>\$ -</u>

8. LONG-TERM DEBT

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

Interest paid	\$ 1,988,054
Less: interest accrued in the prior year	(374,991)
Less: amortization expense on bond premium	(160,226)
Plus: interest accrued in the current year	<u>56,095</u>
Total expense	<u>\$ 1,508,932</u>

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

	July 01, 2020		June 30, 2021		Amounts	Long-term
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due Within</u>	<u>Portion</u>
					<u>One Year</u>	
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 30,805,000	\$ -	\$ 3,140,000	\$ 27,665,000	\$ 3,465,000	\$ 24,200,000
Bond premium	2,403,384	-	160,226	2,243,158	-	2,243,158
Other long-term debt:						
Compensated absences	71,611	-	10,207	61,404	-	61,404
Net pension liability	2,698,229	311,532	-	3,009,761	-	3,009,761
Total OPEB liability	<u>97,617,000</u>	<u>8,498,755</u>	<u>-</u>	<u>106,115,755</u>	<u>-</u>	<u>106,115,755</u>
Total long-term liabilities	<u>\$133,595,224</u>	<u>\$ 8,810,287</u>	<u>\$ 3,310,433</u>	<u>\$139,095,078</u>	<u>\$ 3,465,000</u>	<u>\$135,630,078</u>

In prior years, the School 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 School District's financial statements.

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2021 <u>Balance</u>
Refunding bond	2017	2023	4.00%	\$ 1,455,000
Refunding bond	2017	2025	2.00-5.00%	3,120,000
Serial bond	2015	2030	3.00-5.00%	10,560,000
Serial bond	2020	2035	5.00%	<u>12,530,000</u>
				<u>\$ 27,665,000</u>

8. LONG-TERM DEBT (Continued)

The following is a summary of the maturity of bonds payable:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,465,000	\$ 1,346,275	\$ 4,811,275
2023	3,210,000	1,188,375	4,398,375
2024	2,810,000	1,033,275	3,843,275
2025	2,090,000	892,875	2,982,875
2026	1,975,000	788,375	2,763,375
2027-2031	9,955,000	2,375,750	12,330,750
2032-2035	<u>4,160,000</u>	<u>497,000</u>	<u>4,657,000</u>
Totals	<u>\$ 27,665,000</u>	<u>\$ 8,121,925</u>	<u>\$ 35,786,925</u>

9. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are eliminated on the statement of net position.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The following is a summary of interfund activity:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 2,875,512	\$ 4,993,554	\$ 76,224	\$ 203,697
Special aid fund	1,476	2,427,541	140,707	-
Debt service fund	5,692,405	-	-	76,224
Capital fund	<u>1,056,011</u>	<u>2,204,309</u>	<u>62,990</u>	<u>-</u>
Totals	<u>\$ 9,625,404</u>	<u>\$ 9,625,404</u>	<u>\$ 279,921</u>	<u>\$ 279,921</u>

All interfund payables are expected to be repaid within one year.

10. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2021	\$ 537,923
2020	\$ 471,918
2019	\$ 447,854

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a net pension liability of \$10,150 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 and 2020, the School District's proportion was .0101932% and .0101895%, respectively, which were measured at March 31, 2021 and 2020, respectively.

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

For the year ended June 30, 2021, the School District recognized pension expense of \$291,700. At June 30, 2021, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,956	\$ -
Changes of Assumptions	1,866,217	35,197
Net difference between projected and actual earnings on pension plan investments	-	2,915,613
Changes in proportion and differences between the District's contributions and proportionate share of contributions	132,932	3,446
Contributions subsequent to the measurement date	132,648	-
Total	<u>\$ 2,255,753</u>	<u>\$ 2,954,256</u>

The School District recognized \$132,648 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2022.

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

Plan's Year Ending March 31,	2022	\$ (121,864)
	2023	(23,781)
	2024	(136,220)
	2025	(549,286)
	Thereafter	-
		<u>\$ (831,151)</u>

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7 percent
Salary scale	4.4 percent indexed by service
Projected COLAs	1.4% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return</u>
Domestic Equity	32.0	4.05%
International Equity	15.0	6.30%
Private Equity	10.0	6.75%
Real Estate	9.0	4.95%
Opportunistic/ARS portfolio	3.0	4.50%
Real Assets	3.0	5.95%
Credit	4.0	3.63%
Cash	1.0	0.50%
Fixed Income	23.0	0.00%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (4.9%)</u>	<u>Current Discount (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 2,817,185</u>	<u>\$ 10,150</u>	<u>\$ (2,578,594)</u>

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021, was as follows (in thousands):

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 220,680,157
Net position	220,580,583
Net pension liability (asset)	\$ 99,574
ERS net position as a percentage of total pension liability	99.95%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>
2021	\$ 1,775,305
2020	\$ 1,632,443
2019	\$ 1,635,047

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of \$2,999,611 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 and 2020, the School District's proportionate share was 0.108553% and 0.108041%, respectively, which were measured at June 30, 2020 and 2019, respectively.

For the year ended June 30, 2021, the School District recognized pension expense of \$3,927,289. At June 30, 2021 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 2,628,259	\$ 153,724
Changes of Assumptions	3,793,811	1,352,295
Net difference between projected and actual earnings on pension plan investments	1,959,009	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	15,244	497,238
Contributions subsequent to the measurement date	<u>2,028,419</u>	<u>-</u>
Total	<u>\$ 10,424,742</u>	<u>\$ 2,003,257</u>

The School District recognized \$2,028,419 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2020, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

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

Plan's Year Ending June 30,	2021	\$ 1,074,417
	2022	2,264,737
	2023	1,834,325
	2024	1,103,268
	2025	(12,346)
	Thereafter	<u>128,665</u>
		<u>\$ 6,393,066</u>

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.20%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>4.72%</td></tr><tr><td>15</td><td>3.46%</td></tr><tr><td>25</td><td>2.37%</td></tr><tr><td>35</td><td>1.90%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	4.72%	15	3.46%	25	2.37%	35	1.90%
<u>Service</u>	<u>Rate</u>										
5	4.72%										
15	3.46%										
25	2.37%										
35	1.90%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2020 are summarized in the following table:

<u>Asset Type</u>	<u>Allocations in %</u>	<u>expected real rate of return</u>
Domestic Equity	33.0	7.1%
International Equity	16.0	7.7%
Global Equity	4.0	7.4%
Real Estate Equity	11.0	6.8%
Private Equity	8.0	10.4%
Domestic Fixed Income	16.0	1.8%
Global Bonds	2.0	1.0%
Private Debt	1.0	5.2%
Real Estate Debt	7.0	3.6%
High-Yield Bonds	1.0	3.9%
Cash Equivalents	1.0	0.7%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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.

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

The following presents the net pension liability (asset) of the School District using the discount rate of 7.10%, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount (7.10%)</u>	<u>1% Increase (8.10%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 18,947,508</u>	<u>\$ 2,999,611</u>	<u>\$ (10,384,716)</u>

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the School District as of June 30, 2020, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 123,242,776,215
Net position	120,479,505,380
Net pension liability (asset)	\$ 2,763,270,835
TRS net position as a percentage of total pension liability	97.76%

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District provides for postretirement medical benefits to retiring employees on or after age 55. When a retiree reaches age 65, Medicare will provide primary coverage, except as otherwise provided by law. Dental, vision and additional prescription drug coverage is available to retirees, however, retirees pay 100% of those costs. Retirees may apply the value of eligible sick leave credits against premiums due. Once sick leave credits have been exhausted the School District will generally contribute 50% of medical premiums for individual coverage and 35% of medical premiums for dependent coverage. The Plan can be amended by action of the School District through agreements with different bargaining units. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare 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 School District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries	
currently receiving benefits	188
Active employees	<u>342</u>
Total participants	<u><u>530</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$106,115,755 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent per year
Discount Rate	2.18 percent as of June 30, 2021
Healthcare Cost Trend Rates	8.0 percent for current year, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2025 and later years
Participation rate	Assumed that 100% of future retirees eligible for coverage will elect the benefit.

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were RP-2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2019.

Changes in the Total OPEB Liability

Balance at July 1, 2020	<u>\$ 97,617,000</u>
Changes for the Year	
Service cost	4,614,554
Interest	2,579,947
Changes in assumptions or other inputs	8,369,100
Differences between expected and actual experience	(5,811,848)
Benefit payments	<u>(1,252,998)</u>
Net changes	<u>8,498,755</u>
Balance at June 30, 2021	<u>\$ 106,115,755</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.66% in 2020 to 2.18% in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.18%) or 1 percentage point higher (3.18%) than the current discount rate:

	1% Decrease (1.18%)	Current Discount (2.18%)	1% Increase (3.18%)
Total OPEB Liability	<u>\$ 114,746,562</u>	<u>\$ 106,115,755</u>	<u>\$ 80,487,439</u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School 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 (7.0%)	Healthcare Trend Rate (8.0%)	1% Increase (9.0%)
Total OPEB Liability	\$ <u>84,456,165</u>	\$ <u>106,115,755</u>	\$ <u>132,859,816</u>

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$9,938,003. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,340,658	\$ 5,166,087
Changes of assumptions	<u>11,171,530</u>	<u>-</u>
Total	<u>\$ 26,512,188</u>	<u>\$ 5,166,087</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>Fiscal Year Ending June</u>	<u>Amount</u>
2022	\$ 2,743,502
2023	2,743,502
2024	2,743,502
2025	2,743,502
2026	2,743,502
Thereafter	<u>7,628,591</u>
	<u>\$ 21,346,101</u>

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. 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.

The School District does not purchase insurance for the risk of losses for unemployment and workers' compensation claims. Instead, the School District manages its risks for these losses internally and accounts for these in the School District's general fund, including provisions for unexpected and unusual claims.

Claims are recognized as expenditures when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At June 30, 2021, management estimates there are no outstanding claims liabilities.

13. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The School District has 3 real property tax abatement agreement that 2 are entered into by the City of Troy and 1 by the Rensselaer County. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) in accordance with the Tax Exemption Policy.

PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, development of a new facility, or the improvement or expansion of an existing facility to promote job creation or retention. There are no policies for recapture of PILOTs should the applicant not meet certain criteria.

The following are the three PILOT agreements and the amount of real property tax that has been abated for the year ended June 30, 2021.

Purpose	Assessed Taxable Value	Tax Value	PILOT Received	Amount of Tax Abated
City of Troy :				
Diamond Rock Terrace Phase I	\$ 2,915,000	\$ 247,762	\$ 11,638	\$ 236,124
Diamond Rock Terrace Phase II	\$ 966,800	\$ 82,174	\$ 4,526	\$ 77,648
Rensselaer County:				
Ross Valve	\$ 1,700,000	\$ 35,038	\$ 35,038	-

14. CONTINGENCIES AND COMMITMENTS

Other Contingencies

The School 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 audits, the School District's administration believes disallowances, if any, will be immaterial.

Commitments

The School District has various commitments with contractors for the completion of capital projects over the next several years.

15. CHANGE IN ACCOUNTING PRINCIPLE

The School District adopted GASB Statement No. 84, Fiduciary Activities, during the year ended June 30, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. As a result, beginning cash, liabilities, fund balance, and net position were adjusted as noted below for the following opinion units:

	Governmental Activities		
	Cash	Accrued/Other Liabilities	Net Position
Balance at June 30, 2020, as previously reported	\$ 14,210,303	\$ 361,754	\$ (19,693,918)
Restatement of beginning balance - Adoption of GASB Statement No. 84	594,872	407,929	186,943
Balance at July 1, 2020, as restated	\$ 14,805,175	\$ 769,683	\$ (19,506,975)
	General Fund		
	Cash	Accrued/Other Liabilities	
Balance at June 30, 2020, as previously reported	\$ 9,202,482	\$ 17,036	
Restatement of beginning balance - Adoption of GASB Statement No. 84	407,981	407,981	
Balance at July 1, 2020, as restated	\$ 9,610,463	\$ 425,017	
	Miscellaneous Special Revenue Fund		
	Cash	Accrued/Other Liabilities	Fund Balance
Balance at June 30, 2020, as previously reported	\$ -	\$ -	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	186,943	-	186,943
Balance at July 1, 2020, as restated	\$ 186,943	\$ -	\$ 186,943
	Fiduciary Funds		
	Cash	Accrued/Other Liabilities	Net Position
Balance at June 30, 2020, as previously reported	\$ 597,872	\$ 450,377	\$ 147,495
Restatement of beginning balance - Adoption of GASB Statement No. 84	(594,872)	(450,377)	(144,495)
Balance at July 1, 2020, as restated	\$ 3,000	\$ -	\$ 3,000

16. COVID-19 PANDEMIC

As of the date of this report, the United States continues to be affected by a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). During 2020, the NYS Governor put the economy “on pause” in an effort to combat the spread of COVID. As a result, many businesses were closed, or their operations were severely curtailed. The School District acted proactively as well in an effort to protect its employees as well as the School District population.

In response to the economic impact, the COVID pandemic, the United States government passed several stimulus bills (Coronavirus Aid, Relief, and Economic Security Act; Coronavirus Response and Relief Supplemental Appropriations Act; and American Rescue Plan Act) in an effort to provide relief to businesses, families and governments that have been devastated by the closure of large segments of the economy.

The School District’s remaining allocations for each of the stimulus plans are:

CARES	\$812,123
CRRSA	\$2,643,556
ARPA	\$5,941,345

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 14,329,337	\$ 14,329,337	\$ 14,329,337	\$ -	\$ -
Other tax items	1,893,050	1,893,050	1,879,700	-	(13,350)
Charges for services	300,500	300,500	318,179	-	17,679
Use of money and property	5,000	5,000	625	-	(4,375)
Sale of property and compensation for loss	407,000	407,000	26,408	-	(380,592)
Miscellaneous	<u>676,789</u>	<u>676,789</u>	<u>794,692</u>	<u>-</u>	<u>117,903</u>
Total local sources	17,611,676	17,611,676	17,348,941	-	(262,735)
State sources	33,943,622	33,943,622	31,998,134	-	(1,945,488)
Medicaid reimbursement	150,000	150,000	114,634	-	(35,366)
Federal sources	<u>-</u>	<u>-</u>	<u>69,443</u>	<u>-</u>	<u>69,443</u>
Total revenue	<u>51,705,298</u>	<u>51,705,298</u>	<u>49,531,152</u>	<u>-</u>	<u>(2,174,146)</u>

(Continued)

See the independent auditor's report

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)

(Continued)

FOR THE YEAR ENDED JUNE 30, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	<u>Encumbrances</u>	Final Budget Variance with <u>Budgetary Actual</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 8,300	\$ 8,840	\$ 6,775	\$ 780	\$ 1,285
Central administration	248,114	363,385	372,139	-	(8,754)
Finance	665,574	811,729	636,295	127,207	48,227
Staff	182,080	167,089	155,422	4,254	7,413
Central services	3,005,353	3,369,486	2,856,893	276,508	236,085
Special items	<u>852,366</u>	<u>852,366</u>	<u>773,865</u>	<u>8,947</u>	<u>69,554</u>
Total general support	<u>4,961,787</u>	<u>5,572,895</u>	<u>4,801,389</u>	<u>417,696</u>	<u>353,810</u>
INSTRUCTION:					
Instruction, administration, and improvement	1,651,075	1,578,354	1,426,323	2,330	149,701
Teaching - Regular school	13,666,317	12,959,922	11,508,623	828,187	623,112
Programs for children with handicapping conditions	8,397,458	8,785,682	7,598,387	75,919	1,111,376
Occupational education	867,253	928,787	926,184	-	2,603
Teaching - Special school	66,402	66,402	35,868	-	30,534
Instructional media	616,420	989,026	737,452	4,695	246,879
Pupil services	<u>2,137,389</u>	<u>2,119,822</u>	<u>1,752,638</u>	<u>55,634</u>	<u>311,550</u>
Total instruction	27,402,314	27,427,995	23,985,475	966,765	2,475,755
Pupil transportation	4,748,842	4,444,820	3,345,280	790	1,098,750
Employee benefits	10,508,594	10,570,739	10,006,994	-	563,745
Debt service - principal	3,596,953	3,430,000	3,430,000	-	-
Debt service - Interest	<u>1,486,490</u>	<u>1,988,056</u>	<u>1,988,054</u>	<u>-</u>	<u>2</u>
Total expenditures	52,704,980	53,434,505	47,557,192	1,385,251	4,492,062
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	90,000	90,000	76,224	-	(13,776)
Transfers to other funds	<u>(90,318)</u>	<u>(215,837)</u>	<u>(203,697)</u>	<u>-</u>	<u>12,140</u>
Total expenditures and other financing uses	<u>52,705,298</u>	<u>53,560,342</u>	<u>47,684,665</u>	<u>1,385,251</u>	<u>4,490,426</u>
NET CHANGE IN FUND BALANCE	(1,000,000)	(1,855,044)	1,846,487	(1,385,251)	2,316,280
FUND BALANCE - beginning of year	<u>6,948,031</u>	<u>6,948,031</u>	<u>6,948,031</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 5,948,031</u>	<u>\$ 5,092,987</u>	<u>\$ 8,794,518</u>	<u>\$ (1,385,251)</u>	<u>\$ 2,316,280</u>

See the independent auditor's report

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0101932%	0.0101895%	0.0102820%	0.0097253%	0.0091649%	0.0092618%	0.0092052%
Proportionate share of the net pension liability (asset)	\$ 10	\$ 2,698	\$ 729	\$ 314	\$ 861	\$ 1,487	\$ 416
Covered-employee payroll	\$ 3,481	\$ 3,338	\$ 3,249	\$ 3,160	\$ 2,524	\$ 2,520	\$ 2,668
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.29%	80.83%	22.44%	9.94%	34.11%	59.01%	15.59%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.108553%	0.108041%	0.024270%	0.099136%	0.097670%	0.098255%	0.098159%
Proportionate share of the net pension liability (asset)	\$ 3,000	\$ (2,807)	\$ (1,852)	\$ (754)	\$ 1,046	\$ (10,206)	\$ (10,934)
Covered-employee payroll	\$ 18,629	\$ 18,425	\$ 16,684	\$ 15,708	\$ 15,071	\$ 14,758	\$ 14,500
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.10%	-15.23%	-11.10%	-4.80%	6.94%	-69.16%	-75.41%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)						
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 538	\$ 472	\$ 448	\$ 416	\$ 384	\$ 429	\$ 438
Contributions in relation to the contractually required contribution	538	472	448	416	384	429	438
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,481	\$ 3,338	\$ 3,249	\$ 3,160	\$ 2,524	\$ 2,520	\$ 2,668
Contributions as a percentage of covered-employee payroll	15.46%	14.14%	13.78%	13.16%	15.21%	17.02%	16.42%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years * (Dollar amounts displayed in thousands)						
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,775	\$ 1,632	\$ 1,635	\$ 1,841	\$ 1,998	\$ 2,587	\$ 2,356
Contributions in relation to the contractually required contribution	1,775	1,632	1,635	1,841	1,998	2,587	2,356
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 18,629	\$ 18,425	\$ 16,684	\$ 15,708	\$ 15,068	\$ 14,758	\$ 14,500
Contributions as a percentage of covered-employee payroll	9.53%	8.86%	9.80%	11.72%	13.26%	17.53%	16.25%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

	Last 10 Fiscal Years*			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 4,614,554	\$ 2,930,134	\$ 2,493,034	\$ 2,439,120
Interest	2,579,947	2,223,286	2,004,188	1,834,513
Differences between expected and actual experience	(5,811,848)	11,150,981	6,329,954	2,506,368
Changes in assumptions	8,369,100	2,227,734	2,749,516	-
Benefit payments	<u>(1,252,998)</u>	<u>(1,205,587)</u>	<u>(1,081,736)</u>	<u>(1,090,704)</u>
Total change in total OPEB liability	8,498,755	17,326,548	12,494,956	5,689,297
Total OPEB liability - beginning	<u>97,617,000</u>	<u>80,290,452</u>	<u>67,795,496</u>	<u>62,106,199</u>
Total OPEB liability - ending	<u>\$ 106,115,755</u>	<u>\$ 97,617,000</u>	<u>\$ 80,290,452</u>	<u>\$ 67,795,496</u>
Covered-employee payroll	\$ 22,510,572	\$ 23,774,268	\$ 23,018,142	\$ 21,374,492
Total OPEB liability as a percentage of covered-employee payroll	471.40%	410.60%	348.81%	317.18%
Notes to schedule:				
Changes of assumptions:				
Discount rate	2.18%	2.66%	2.79%	2.98%

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See the independent auditor's report

OTHER INFORMATION (UNAUDITED)

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 52,795,298
Add: Prior year's encumbrances	<u>855,044</u>
Original budget	53,650,342
Budget revisions:	<u>-</u>
Final budget	<u>\$ 53,650,342</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget	\$ 54,749,178	
Maximum allowed (4% of 2021-2022 budget)		<u>\$ 2,189,967</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 2,385,251
Unassigned fund balance	<u>3,104,048</u>
	<u>\$ 5,489,299</u>

Less:

Appropriated fund balance	\$ 1,000,000
Encumbrances included in assigned fund balance	<u>1,385,251</u>
Total adjustments	<u>\$ 2,385,251</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,104,048</u>
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Actual percentage	5.67%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Original <u>Appropriation</u>	Revised <u>Appropriation</u>	<u>Expenditures</u>			Unexpended <u>Balance</u>	<u>Proceeds of</u> <u>Obligations</u>	<u>Methods of Financing</u>			Fund Balance <u>June 30, 2021</u>
			<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u>			<u>State</u> <u>Aid</u>	<u>Local</u> <u>Sources</u>	<u>Total</u>	
TES Additions	\$ 18,500,000	\$ 18,141,539	\$ 17,043,177	\$ 41,466	\$ 17,084,643	\$ 1,056,896	\$ 15,588,384	\$ 1,857,688	\$ -	\$ 17,446,072	\$ 361,429
RPES Additions	-	-	-	6,927	6,927	(6,927)	-	-	-	-	(6,927)
KMS Flooring	200,000	51,000	51,436	3,822	55,258	(4,258)	-	-	51,436	51,436	(3,822)
KMS Boiler	300,000	248,178	272,088	840	272,928	(24,750)	-	-	271,563	271,563	(1,365)
LHS Tile Work	10,000	63,840	-	62,990	62,990	850	-	-	62,990	62,990	-
RPES Vestibule I	1,157,369	1,157,369	18,230	-	18,230	1,139,139	-	-	-	-	(18,230)
RPES Vestibule II	1,157,369	1,157,369	415,335	627,052	1,042,387	114,982	290,000	-	212,981	502,981	(539,406)
Total	<u>\$ 21,324,738</u>	<u>\$ 20,819,295</u>	<u>\$ 17,800,266</u>	<u>\$ 743,097</u>	<u>\$ 18,543,363</u>	<u>\$ 2,275,932</u>	<u>\$ 15,878,384</u>	<u>\$ 1,857,688</u>	<u>\$ 598,970</u>	<u>\$ 18,335,042</u>	<u>\$ (208,321)</u>

LANSINGBURGH CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2021

Capital assets, net		\$ 67,579,273
Deduct:		
Bond premium	2,243,158	
Short-term portion of bonds payable	3,465,000	
Long-term portion of bonds payable	<u>24,200,000</u>	29,908,158
Add:		
Unspent bond proceeds		<u>939,977</u>
Net investment in capital assets		<u>\$ 38,611,092</u>

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

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

November 8, 2021

To the Board of Education of
Lansingburgh Central School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lansingburgh Central School District (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as finding 2021-001.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LANSINGBURGH CENTRAL SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

Section I—Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Section II—Financial Statement Findings

**Finding 2021-001 – Stewardship and Compliance
Reported previously as finding 2020-001**

Criteria – The School District’s unrestricted fund balance was outside the NYS Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the School District’s budget for the upcoming year.

Condition – General Fund unrestricted fund balance exceeded the 4% limitation.

Questioned Costs – None

Cause and Effect – The current year surplus resulted in the fund balance exceeding limits.

Recommendation – We recommend that management take the excess fund balance into consideration when preparing future budgets.

Management Response – Management will ensure excess fund balance is taken into effect when preparing future budgets.