LYNCOURT UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2022

LYNCOURT UNION FREE SCHOOL DISTRICT

JUNE 30, 2022

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Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Lyncourt Union Free School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratio, schedule of the District's proportionate share of net pension asset (liability) and schedule of District contributions on pages 4-12 and 45-48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022, on our consideration of Lyncourt Union Free 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 Lyncourt Union Free 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 Lyncourt Union Free School District's internal control over financial reporting and compliance.

Certified Public Accountants

Cortland, NY
October 11, 2022

LYNCOURT UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The following is a discussion and analysis of Lyncourt Union Free School District's financial performance for the fiscal year ended June 30, 2022. This section is a summary of the 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 Lyncourt Union Free School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- During 2022, General Fund expenditures exceeded revenues by $452,035. During 2021, General Fund expenditures exceeded revenues by $191,871.
- Capital asset additions during 2022 amounted to $2,179,859.
- The overall indebtedness of the District in terms of Bonds and Notes Payable decreased to $2,395,000 at year-end, as a result of principal payments.
- Total Fund balance, including reserves, in the General Fund was $3,112,175 at June 30, 2022, which decreased by $452,035 due to a combination of factors.

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 Lyncourt Union Free School District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 summarizes the major features of Lyncourt Union Free School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Figure A-1 Major Features of the District-wide and Fund Financial Statements

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

District-wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are shown as Governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that 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 District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The 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 District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF LYNCOURT UNION FREE SCHOOL DISTRICT AS A WHOLE

The District's total assets and deferred outflows of resources increased 20.5% from the prior year to $28.6 million. (See Table I). Current and other assets increased by 51.8%, capital assets increased as a result of capital expenditures exceeding depreciation expense. Cash balances of the District decreased 28.3% from $4.69 million to $3.36 million in the current year. The District's long-term liabilities increased 1.8% primarily due to the post-employment benefits liability. Current liabilities, which include amounts due to other governments, as well as amounts due to both Teacher and Employee Retirement Systems decreased 13.4% from the prior year to $1.5 million. Net position for the year increased to a deficit of approximately $11.1 million.

Table I

Condensed Statement of Net Position	*Governmental Activities and Total School District*		*Percentage Change*
	2021	*2022*	*2021-2022*
Current and Other Assets	$ 5,818,298	$ 8,834,602	51.8%
Capital Assets, Net	10,552,746	12,475,238	18.2%
Total Assets	16,371,044	21,309,840	30.2%
Deferred Outflows of Resources	7,394,565	7,337,721	-0.8%
Total Assets and Deferred Outflows of Resources	***23,765,609***	***28,647,561***	**20.5%**
Current Liabilities	1,699,275	1,472,385	-13.4%
Noncurrent Liabilities	29,539,869	30,061,643	1.8%
Total Liabilities	31,239,144	31,534,028	0.9%
Deferred Inflows of Resources	4,749,141	8,244,133	73.6%
Total Liabilities and Deferred Inflows of Resources	***35,988,285***	***39,778,161***	**10.5%**
Net Position			
Net Investment in Capital Assets	7,562,746	10,080,238	33.3%
Restricted	2,390,068	1,863,108	-22.0%
Unrestricted	(22,175,490)	(23,073,946)	-4.1%
Total Net Position	***$ (12,222,676)***	***$ (11,130,600)***	**8.9%**

Table II

Changes in Net Position From Operating Results	*Governmental and Total School District*		*Percentage Change*
	2021	*2022*	*2021-2022*
Revenues			
Program Revenues:			
Charges for Services	$ 706	$ 390	-44.8%
Operating Grants and Contributions	997,413	1,980,778	98.6%
General Revenues:			
Property Taxes	6,672,603	6,843,693	2.6%
State Formula Aid	4,066,794	4,996,582	22.9%
Use of Money and Property	1,726	8,884	414.7%
Miscellaneous	446,884	201,629	-54.9%
Total Revenues	*12,186,126*	*14,031,956*	**15.1%**
Program Expenses			
General Support	1,349,817	1,693,722	25.5%
Instruction	6,343,500	7,001,266	10.4%
Transportation	606,543	688,785	13.6%
Community Service	12,992	16,688	28.4%
Employee Benefits	2,989,630	1,908,248	-36.2%
Debt Service - Interest	168,581	142,105	-15.7%
School Lunch Program	100,172	170,184	69.9%
Capital Outlay	1,020	120,567	11720.3%
Other Post-employment Benefits	809,455	1,083,464	-33.9%
Amortization - Unallocated	-	51,167	100.0%
Depreciation - Unallocated	262,936	257,367	-2.1%
Total Expenses	*12,644,646*	*13,133,563*	**3.9%**
Increase (Decrease) in Net Position	*$ (458,520)*	*$ 898,393*	**-295.9%**

The District's total revenues increased 15.1% compared to the prior fiscal year. (See Table II and Figure 1). Property tax revenues increased 2.6% to $6.8 million and accounted for 49% of total revenues. State Aid increased 22.9% to $5.0 million and accounted for 36% of total revenues.

The District's total expenses for the fiscal year were approximately $13.1 million, or a 3.9% increase from the prior year. Of the District's total expenses, Instruction costs are 53% of the total, while General Support costs (which include Central Services) accounted for 13% of total expenses. (See Figure 2). Employee benefit costs decreased 36.2% to approximately $1.9 million or 15% of the District's total expenses, largely due to the change in the District's share of the TRS and ERS Systems pension asset, deferred inflows and outflows, and related expenses.

For the current year, the overall increase in net position was approximately $900,000 compared with the prior year decrease of approximately $500,000.

Figure 1 – Revenues

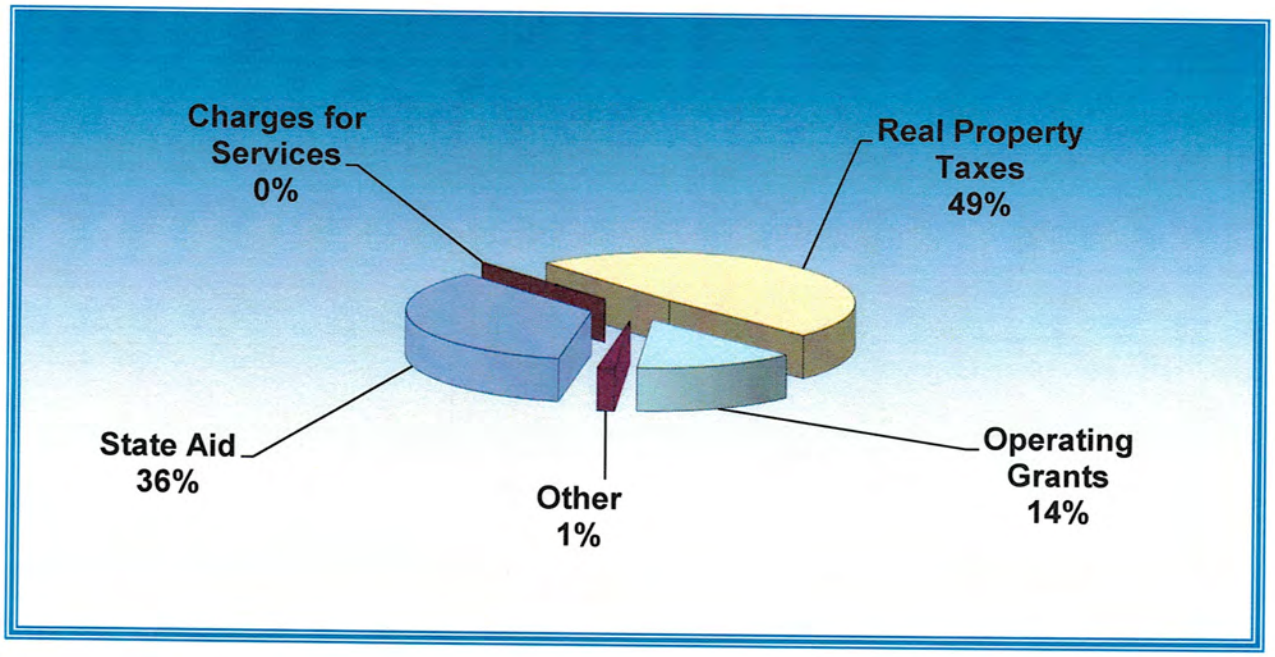
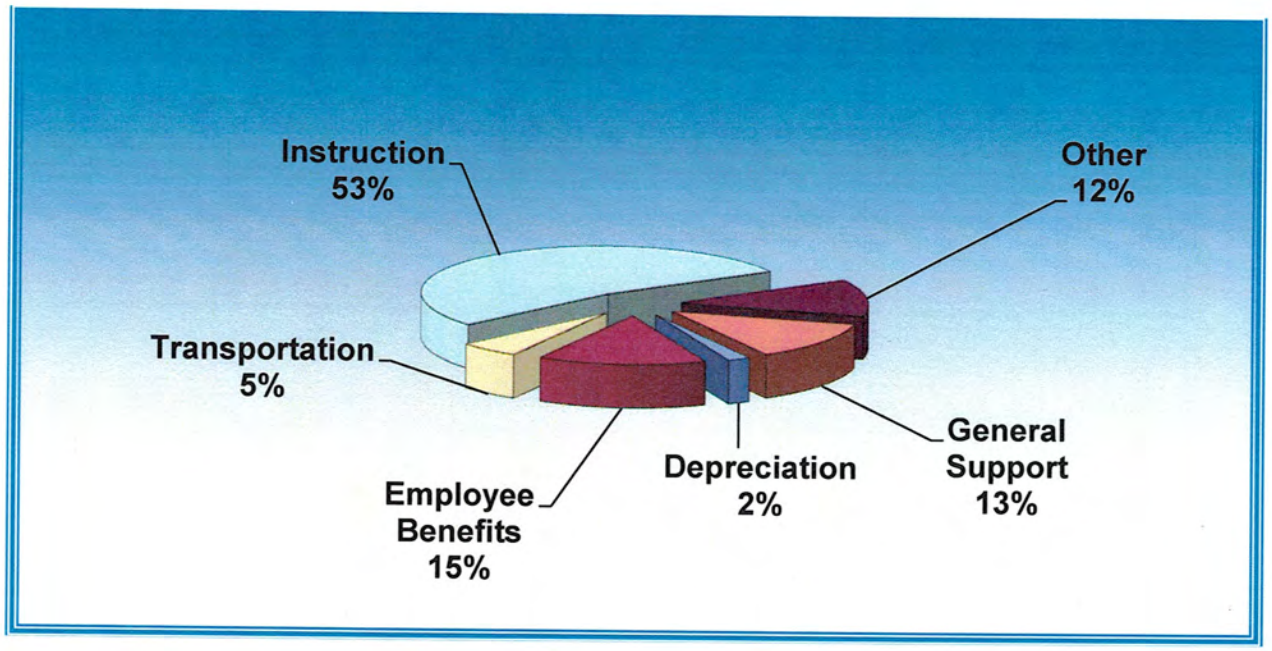


Figure 2 – Expenses



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds ended the fiscal year with a combined deficit of $1,123,445 (see Table III). The Special Aid and School Food Service funds had revenue exceeding expenditures, while the General Fund and Capital Project had expenditures exceeding revenues.

Table III

Governmental Fund Balances	*2021*	*2022*	*Total Dollar Change 2021-2022*	*Total Percentage Change 2021-2022*
General Fund	$ 3,564,210	$ 3,112,175	$ (452,035)	-12.68%
Special Aid	-	2,954	2,954	100.00%
School Food Service	28,544	134,163	105,619	370.02%
Capital Project	192,734	(587,249)	(779,983)	-404.69%
	$ 3,785,488	$ 2,662,043	$ (1,123,445)	-29.68%

GENERAL FUND BUDGETARY HIGHLIGHTS

Although the General Fund final budget anticipated that expenditures would exceed revenues by $165,764 (the appropriated balance), the actual results for the year report a deficit of $461,707. Actual revenues were over budget by $155,217, and actual expenditures (including encumbrances) were over budget by $451,160.

Table IV

Condensed Budgetary Comparison General Fund	*Original Budget*	*Revised Budget*	*Actual With Encumbrances*	*Total Dollar Variance*
REVENUES				
Real Property Taxes	$ 6,323,138	$ 5,339,276	$ 5,334,680	$ (4,596)
Other Tax Items	523,865	1,507,727	1,509,013	1,286
State and Federal Sources	4,954,705	4,954,705	4,876,015	(78,690)
Other Financing Sources	93,292	93,292	330,509	237,217
Total Revenues and Other Financing Sources	*$ 11,895,000*	*$ 11,895,000*	*$ 12,050,217*	*$ 155,217*
Appropriated Fund Balances	*$ 165,000*	*$ 165,764*	*$ -*	
EXPENDITURES				
General Support	$ 1,459,700	$ 1,679,464	$ 1,516,585	$ 162,879
Instruction	6,279,406	6,000,406	5,868,016	132,390
Pupil Transportation	704,275	764,275	678,837	85,438
Community Service	28,817	28,817	16,688	12,129
Employee Benefits	2,721,339	2,721,339	2,581,788	139,551
Debt Service	736,463	736,463	736,463	-
Operating Transfers Out	130,000	130,000	1,113,547	(983,547)
Total Expenditures and Other Financing Uses	*$ 12,060,000*	*$ 12,060,764*	*$ 12,511,924*	*$ (451,160)*

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During the fiscal year, the District invested $2,179,859 in additional capital assets. Current capital assets before accumulated depreciation approximates $17.2 million. Depreciation expense for the fiscal year was $257,367.

Long-term Debt

At year-end, the District's long-term debt consisted of $2,395,000 of serial bonds. The serial bonds have variable interest rates and have a final maturity date of 2033.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Since the closure of Syracuse China, a large manufacturing company located in the District, the assessment on this tax parcel was greatly reduced. The effect of this spreads the total tax burden to the resident property owners, resulting in a high tax rate per thousand in our area as compared to other districts in Syracuse. Significant increases to the Town of Salina assessed value of both commercial and residential properties have begun to ease the trend. The result of which is seen in a total 2022-2023 assessed valuation increase to $218,456,371 from $176,299,002 in 2019-2020. This has reduced the tax rate of $33.54/thousand in 2019-2020 to $29.84/thousand for the 2022-2023 school year. This is good news for the residents of Lyncourt.

The new Southern Wine and Spirits is currently under a second PILOT program that began with the tax year 2015. Due to an error in the 2018-19 assessment roll, the PILOT will remain in effect until 2027. When the PILOT ends and rolls into the total tax assessment, residents will see a further reduction in the rate per thousand they pay in school taxes.

Although there is a steady increase in property values, the District does not expect any new residential building. There are industrial property areas within the District that are currently vacant, giving possibility of future commercial development.

Demographically, the District has shown a steady increase in enrollment of students from 481 in 2012-2013, to 574 in 2021-2022. Lyncourt has been one of very few districts in New York State that are seeing increased enrollment.

The State's 2% tax cap restricts the District's ability to increase revenues through local taxes. The District's financial needs in the area of contractual increases, charter school obligations, special education, and health insurance costs are greater each year than the tax increase permitted by the tax levy limit. The Board of Education is dedicated to maintaining and enhancing programs and student offerings despite financial restrictions. This is a challenge. Over the years, unless state aid funding rises to meet the increases in expenditures, the budget gets tighter and tighter. Lyncourt has had the increase in State Aid funding that was necessary to keep up with enrollment and expenses.

Beginning in 2021-2022, State Foundation Aid is being restored to District's after many years of being frozen and withheld. For Lyncourt, in order to catch up with increased enrollment, this restoration of aid is significant. The Foundation Aid restoration will be spread over the continuing two years and is long overdue. This provides revenue that more realistically matches the District's expense needs. This also means the District's budget to revenue gap has been eliminated, reducing the amount of fund balance that has been historically appropriated toward meeting the budget needs each year. Knowing the increases will level off after 2023-2024, the District continues to monitor its reserves and fund balance carefully.

The District will continue to maintain a responsible fund balance, being cautious not to reduce it below a level that would ultimately be costly to the District. Maintaining a reasonable fund balance is imperative to thwart insolvency. The District is fortunate that they are fiscally sound and have been responsible in having fund balance available to rely on during financially turbulent times. A healthy fund balance protects the District from having to secure costly short-term borrowing, reduces capital project debt borrowing rates, and provides cash flow that makes new program fundings, such as Pre-K, an option for the District and community.

In spite of the financial challenges the District faces, it is strong with a very supportive community that indicates a desire to maintain the Lyncourt Union Free School as an independent Pre-K through 8th grade public school system.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's board, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Lyncourt Union Free School District, Syracuse, New York.

Statement of Net Position
For the Year Ended June 30, 2022

ASSETS		
Cash		
Unrestricted	$	1,647,685
Restricted		1,716,318
Receivables		
State and Federal Aid		1,019,106
Due From Other Governments		195,786
Other Receivables		5,401
Inventories		7,696
Right to Use Assets, Net of Accumulated Amortization		75,628
Capital Assets		
Not Being Depreciated		4,516,386
Being Depreciated, Net of Accumulated Depreciation		7,958,852
Net Pension Asset - Proportionate Share		4,166,982
Total Assets		21,309,840
DEFERRED OUTFLOW OF RESOURCES		
OPEB (GASB 75)		4,585,930
Pensions		2,751,791
Total Deferred Outflows of Resources		7,337,721
Total Assets and Deferred Outflows of Resources	$	28,647,561
LIABILITIES		
Payables		
Accounts Payable	$	39,066
Accrued Liabilities		406,779
Due to Other Governments		1
Other Liabilities		1,207
Long-term Liabilities		
Due and Payable Within One Year		
Lease Liability		21,471
Bonds Payable		535,000
Due to Teachers' Retirement System		449,637
Due to Employees' Retirement System		19,224
Due and Payable After One Year		
Bonds Payable		1,860,000
Post-employment Benefits		27,187,608
Compensated Absences Payable		1,014,035
Net Pension Liability - Proportionate Share		-
Total Liabilities		31,534,028
DEFERRED INFLOWS OF RESOURCES		
OPEB (GASB 75)		3,012,620
Pensions		5,231,513
Total Deferred Inflows of Resources		8,244,133
NET POSITION		
Net Investment in Capital Assets		10,080,238
Restricted		1,716,319
Non-spendable		7,696
Assigned		139,093
Unrestricted (Deficit)		(23,073,946)
Total Net Position		(11,130,600)
Total Liabilities Deferred Inflows of Resources and Net Position	$	28,647,561

See independent auditor's report and notes to basic financial statements.

Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 1,693,722	$ -	$ -	$ (1,693,722)
Instruction	7,001,266	-	1,553,800	(5,447,466)
Pupil Transportation	688,785	-	-	(688,785)
Community Service	16,688	-	-	(16,688)
Employee Benefits	1,908,248	-	-	(1,908,248)
Debt Service - Interest	142,105	-	-	(142,105)
School Food Service	170,184	390	426,978	257,184
Capital Outlay	120,567	-	-	(120,567)
Post-employment Benefits	1,083,464	-	-	(1,083,464)
Amortization - Unallocated	51,167	-	-	(51,167)
Depreciation - Unallocated	257,367	-	-	(257,367)
Total Functions and Programs	$ 13,133,563	$ 390	$ 1,980,778	(11,152,395)
GENERAL REVENUES				
Real Property Taxes				5,334,680
Other Tax Items				1,509,013
Nonproperty Taxes				-
Use of Money and Property				8,884
Sale of Property and Compensation for Loss				-
Miscellaneous				145,849
Interfund Revenue				120,000
Medicaid Reimbursement				55,780
State Sources				4,996,582
Federal Sources				-
Total General Revenues				12,170,788
Change in Net Position				1,018,393
Total Net Position - Beginning of Year				(12,222,676)
Other Adjustments to Net Position				-
Prior Period Adjustment				73,683
Total Net Position - End of Year				$ (11,130,600)

Balance Sheet – Governmental Funds
June 30, 2022

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash					
Unrestricted	$ 1,564,872	$ 10,814	$ 45,989	$ 26,010	$ 1,647,685
Restricted	1,716,318	-	-	-	1,716,318
Receivables					
Due From Other Funds	1,432,854	-	-	-	1,432,854
State and Federal Aid	96,805	720,961	80,773	120,567	1,019,106
Due From Other Governments	191,709	4,077	-	-	195,786
Other Receivables	5,341	-	60	-	5,401
Inventories	-	-	7,696	-	7,696
Total Assets	$ 5,007,899	$ 735,852	$ 134,518	$ 146,577	$ 6,024,846
LIABILITIES					
Payables					
Accounts Payable	$ 7,267	$ 5,789	$ -	$ 26,010	$ 39,066
Accrued Liabilities	404,354	2,071	354	-	406,779
Due to Other Funds	-	725,038	-	707,816	1,432,854
Due to Other Governments	-	-	1	-	1
Due to Teachers' Retirement System	449,637	-	-	-	449,637
Due to Employees' Retirement System	19,224	-	-	-	19,224
Compensated Absences Liability	1,014,035	-	-	-	1,014,035
Bond Anticipation Notes	-	-	-	-	-
Other Liabilities	1,207	-	-	-	1,207
Total Liabilities	1,895,724	732,898	355	733,826	3,362,803

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
FUND BALANCES					
Non-spendable					
Reserve for Inventory	$ -	$ -	$ 7,696	$ -	$ 7,696
Restricted					
Reserve for Encumbrances	-	-	-	-	-
Reserve for Teachers' Retirement System	120,015	-	-	-	120,015
Reserve for Employees' Retirement System	55,006	-	-	-	55,006
Reserve for Employee Benefit Accrued Liability	221,741	-	-	-	221,741
Reserve for Repairs	100,000	-	-	-	100,000
Reserve for Unemployment Insurance	25,270	-	-	-	25,270
Reserve for Workers' Compensation	216,556	-	-	-	216,556
Capital Reserve	977,731	-	-	-	977,731
Committed	-	-	-	-	-
Assigned					
Reserve for Encumbrances	9,672	-	-	-	9,672
Unreserved - Designated for Subsequent Year's Expenditures	-	2,954	126,467	-	129,421
Unassigned	1,386,184	-	-	(587,249)	798,935
Total Fund Balances	3,112,175	2,954	134,163	(587,249)	2,662,043
Total Liabilities and Fund Balances	$ 5,007,899	$ 735,852	$ 134,518	$ 146,577	$ 6,024,846

See independent auditor's report and notes to basic financial statements.

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash - Unrestricted	$ 1,647,685	$ -	$ -	$ 1,647,685
Cash - Restricted	1,716,318	-	-	1,716,318
Accounts Receivable	-	-	-	-
Due From Other Funds	1,432,854	-	(1,432,854)	-
Due From Fiduciary Funds	-	-	-	-
Due From Other Governments	195,786	-	-	195,786
State and Federal Aid Receivable	1,019,106	-	-	1,019,106
Other Receivable	5,401	-	-	5,401
Inventories	7,696	-	-	7,696
Right to Use Assets, Net	-	75,628		75,628
Capital Assets, Net	-	12,475,238	-	12,475,238
Net Pension Asset - Proportionate Share	-	4,166,982	-	4,166,982
Total Assets	6,024,846	16,717,848	(1,432,854)	21,309,840
DEFERRED OUTFLOWS OF RESOURCES				
OPEB (GASB 75)	-	4,585,930	-	4,585,930
Pensions	-	2,751,791	-	2,751,791
Total Deferred Outflows of Resources	-	7,337,721	-	7,337,721
Total Assets and Deferred Outflows of Resources	$ 6,024,846	$ 24,055,569	$ (1,432,854)	$ 28,647,561
LIABILITIES				
Accounts Payable	$ 39,066	$ -	$ -	$ 39,066
Accrued Liabilities	406,779	-	-	406,779
Bonds Payable	-	2,395,000	-	2,395,000
Lease Liability	-	21,471	-	21,471
Due to Other Funds	1,432,854	-	(1,432,854)	-
Due to Fiduciary Funds	-	-	-	-
Due to Other Governments	1	-	-	1
Due to Teachers' Retirement System	449,637	-	-	449,637
Due to Employees' Retirement System	19,224	-	-	19,224
Compensated Absences	1,014,035	-	-	1,014,035
Other Post-employment Benefits	-	27,187,608	-	27,187,608
Other Liabilities	1,207	-	-	1,207
Net Pension Liability - Proportionate Share	-	-	-	-
Total Liabilities	3,362,803	29,604,079	(1,432,854)	31,534,028
DEFERRED INFLOWS OF RESOURCES				
OPEB (GASB 75)	-	3,012,620	-	3,012,620
Pensions	-	5,231,513	-	5,231,513
Total Deferred Inflows of Resources	-	8,244,133	-	8,244,133
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	2,662,043	(13,792,643)	-	(11,130,600)
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	$ 6,024,846	$ 24,055,569	$ (1,432,854)	$ 28,647,561

See independent auditor's report and notes to basic financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2022

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
REVENUES					
Real Property Taxes	$ 5,334,680	$ -	$ -	$ -	$ 5,334,680
Other Tax Items	1,509,013	-	-	-	1,509,013
Charges for Services	-	-	-	-	-
Use of Money and Property	8,884	-	-	-	8,884
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	145,845	-	4	-	145,849
Interfund Revenue	120,000	-	-	-	120,000
Medicaid Reimbursement	55,780	-	-	-	55,780
State Sources	4,876,015	399,005	8,673	120,567	5,404,260
Federal Sources	-	1,154,795	400,642	-	1,555,437
Surplus Food	-	-	17,663	-	17,663
Sales - School Lunch	-	-	390	-	390
Total Revenues	$ 12,050,217	$ 1,553,800	$ 427,372	$ 120,567	$ 14,151,956

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
EXPENDITURES					
General Support	$ 1,510,761	$ 217,225	$ 97,773	$ -	$ 1,825,759
Instruction	5,864,168	1,337,220	-	-	7,201,388
Pupil Transportation	678,837	9,948	-	-	688,785
Community Service	16,688	-	-	-	16,688
Employee Benefits	2,581,788	-	53,796	-	2,635,584
Debt Service					
Principal	595,000	-	-	-	595,000
Interest	141,463	-	-	-	141,463
Other Expenditures	-	-	-	-	-
Cost of Sales	-	-	170,184	-	170,184
Capital Outlay	-	-	-	2,000,550	2,000,550
Total Expenditures	11,388,705	1,564,393	321,753	2,000,550	15,275,401
OTHER SOURCES (USES)					
Proceeds From Debt	-	-	-	-	-
BAN Redeemed From Appropriations	-	-	-	-	-
Operating Transfers In	-	13,547	-	1,100,000	1,113,547
Operating Transfers (Out)	(1,113,547)	-	-	-	(1,113,547)
Total Other Sources (Uses)	(1,113,547)	13,547	-	1,100,000	-
Excess (Deficiency) Revenues Over Expenditures and Other Sources (Uses)	(452,035)	2,954	105,619	(779,983)	(1,123,445)
Other Adjustments to Fund Balances	-	-	-	-	-
Fund Balances - Beginning of Year	3,564,210	-	28,544	192,734	3,785,488
Fund Balances - End of Year	$ 3,112,175	$ 2,954	$ 134,163	$ (587,249)	$ 2,662,043

See independent auditor's report and notes to basic financial statements.

Reconciliation of Governmental Funds Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2022

	Total Governmental Funds	Long-term Revenue, Expenditures	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real Property Taxes	$ 5,334,680	$ -	$ -	$ -	$ 5,334,680
Other Tax Items	1,509,013	-	-	-	1,509,013
Charges for Services	-	-	-	-	-
Use of Money and Property	8,884	-	-	-	8,884
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	145,849	-	-	-	145,849
Interfund Revenue	120,000	-	-	-	120,000
Medicaid Reimbursement	55,780	-	-	-	55,780
State Sources	5,404,260	-	-	-	5,404,260
Federal Sources	1,555,437	-	-	-	1,555,437
Surplus Food	17,663	-	-	-	17,663
Sales - School Food Service	390	-	-	-	390
Total Revenues	14,151,956	-	-	-	14,151,956
EXPENDITURES					
General Support	1,825,759	-	(132,037)	-	1,693,722
Instruction	7,201,388	-	(200,122)	-	7,001,266
Pupil Transportation	688,785	-	-	-	688,785
Community Service	16,688	-	-	-	16,688
Employee Benefits	2,635,584	(727,336)	-	-	1,908,248
Debt Service					
Principal	595,000	-	-	(595,000)	-
Interest	141,463	-	642	-	142,105
Cost of Sales	170,184	-	-	-	170,184
Amortization - Unallocated	-		51,167	-	51,167
Depreciation - Unallocated	-	-	257,367	-	257,367
Capital Outlay	2,000,550	-	(1,879,983)	-	120,567
Other Post-employment Benefits	-	1,083,464	-	-	1,083,464
Total Expenditures	15,275,401	356,128	(1,902,966)	(595,000)	13,133,563
Excess (Deficiency) of Revenues Over Expenditures	(1,123,445)	(356,128)	1,902,966	595,000	1,018,393
OTHER SOURCES (USES)					
Proceeds From Debt	-	-	-	-	-
BAN Redeemed from Appropriation	-	-	-	-	-
Operating Transfers In	1,113,547	-	-	-	1,113,547
Operating Transfers (Out)	(1,113,547)	-	-	-	(1,113,547)
Total Other Sources (Uses)	-	-	-	-	-
Net Change for the Year	$ (1,123,445)	$ (356,128)	$ 1,902,966	$ 595,000	$ 1,018,393

See independent auditor's report and notes to basic financial statements.

Statement of Fiduciary Net Position
June 30, 2022

	Custodial	Private Purpose Trust
ASSETS		
Cash	$ 15,356	$ -
Investments	-	-
Due from Other Funds	-	-
Accounts Receivable	-	-
Total Assets	$ 15,356	$ -
LIABILITIES		
Due to Governmental Funds	$ -	$ -
Extraclassroom Activity Balances	10,231	-
Other Liabilities	2,324	-
Total Liabilities	12,555	-
NET POSITION		
Reserved for Scholarships	2,801	-
Total Net Position	2,801	-
Total Liabilities and Net Position	$ 15,356	$ -

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Private Purpose Trusts
ADDITIONS	
Gifts and Contributions	$ -
Investment Earnings	-
Other	-
Total Additions	-
DEDUCTIONS	
Scholarships and Awards	-
Contractual and Other	-
Total Deductions	-
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	$ -

See independent auditor's report and notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lyncourt Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (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 used by the District are described below.

REPORTING ENTITY

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. 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 District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office, located at Court Street, Syracuse, NY. The District accounts for assets held as an agent for various student organizations in a custodial fund.

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, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JOINT VENTURE

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

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

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

During the year ended June 30, 2022, the Lyncourt Union Free School District was billed $1,154,239 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $426,021. At June 30, 2022, the District owed BOCES $-0- and had a receivable from BOCES totaling $191,709.

Participating school districts issue debt on behalf of BOCES. This debt is reported in the District-wide financial statements when applicable.

Financial statements for Onondaga-Cortland-Madison BOCES are available from the BOCES administrative office at 110 Elwood Davis Road, Liverpool, NY 13088.

BASIS OF PRESENTATION

a. District-wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State Aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (Continued)

b. Funds Statements:

The fund statements provide information about the District's funds, including each type of fiduciary fund. 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.

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. Special revenue funds include the following:

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. Details for each project are reported in the supplemental schedules.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

Fiduciary Funds: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

***Private Purpose Trust Funds*:** These funds are used to account for trust arrangements in which principal and income benefit individuals, private organizations or other governments. A scholarship is an example of a Private Purpose Trust Fund.. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 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, compensated absences, pensions, and other post-employment benefits, 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, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Investments are stated at fair value.

RESTRICTED RESOURCES

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on the effective date of the tax warrant. Taxes are collected during the months of September and October.

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

VESTED EMPLOYEE BENEFITS

Compensated Absences

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

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

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

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

In the fund 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

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

CAPITAL ASSETS

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market values at the time received. The District maintains a capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) of five hundred dollars.

All reported capital assets except for land, land improvements and construction in progress are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	20-40 years
Furniture and Equipment	5-20 years
Vehicles	3-5 years

INVENTORIES AND PREPAID ITEMS

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

ACCOUNTS RECEIVABLE

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER ASSETS/RESTRICTED ASSETS

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment, are classified as restricted assets in the District-wide financial statements and their use is limited by applicable bond covenants.

In the District-wide financial statements, bond discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

UNEARNED REVENUES

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

SHORT-TERM DEBT

The 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. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

EQUITY CLASSIFICATIONS

District-wide Statements

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

- *Net Investment in Capital Assets*: Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.
- *Restricted Net Position*: Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislations.
- *Unrestricted Net Position*: Reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Funds Statements

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

- *Non-spendable*: Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of $7,696.
- *Restricted*: 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 District has established the following restricted fund balances:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriations and such other reserve funds that may be legally appropriated. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Capital Reserve Fund

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

Unemployment Insurance Payment Reserve Fund

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

Workers' Compensation Reserve Fund

According to General Municipal Law §6-j, all expenditures made from the workers' compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, all expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

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.

Repair Reserve Fund

According to General Municipal Law §6-d, expenditures made from the repair reserve fund must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve. 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 two subsequent fiscal years. This reserve is accounted for in the General Fund.

- *Committed*: Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2022.
- *Assigned*: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.
- *Unassigned*: 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 District. In funds other than the General Fund, the unassigned portion is used to report a deficit fund balance, resulting from overspending for specific purposes for which amounts had been restricted or assigned.

  NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a district can retain to no more than 4% of the 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 Use of Fund Balance

The 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 restricted 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING STANDARDS

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

- GASB Statement 87, *Leases*, effective for the year ended June 30 2022.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the District contribution to the pension systems (TRS & ERS systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

INTERFUND TRANSACTIONS

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenue activity.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pension and other post-employment benefits.

b. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

iv) Pension differences:

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

v) OPEB differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

Budgets are adopted annually on a basis consistent with generally accepted accounting principles (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 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.

Encumbrances

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

Fund Balances

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. At June 30, 2022, the District's unreserved undesignated fund balance was $1,386,184, which is 10.38% of the adopted budget for the 2022-22 fiscal year.

The Capital Projects Fund had a deficit fund balance of $587,249. This will be funded when the District obtains permanent financing for its current construction project.

The District made interfund transfers during the year, which exceeded amounts provided in the District's budget.

NOTE 4 – INVESTMENTS

The District's investment policy for investments are governed by New York statutes. As of June 30, 2022, there were no investments. The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District does not typically purchase investments denominated in foreign currency and is not exposed to foreign currency risk.

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activities were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Land	$ -	$ -	$ -	$ -
Construction in Progress	2,636,403	1,879,983	-	4,516,386
Total Nondepreciable Cost	2,636,403	1,879,983	-	4,516,386
Land Improvements	769,495	94,440	-	863,935
Buildings	10,902,751	-	-	10,902,751
Furniture, Vehicles and Equipment	758,410	205,436	700	963,146
Total Depreciable Cost	12,430,656	299,876	700	12,729,832
Total Capital Asset Cost	15,067,059	2,179,859	700	17,246,218
Less Accumulated Depreciation:				
Land Improvements	(733,102)	22,476	-	(755,578)
Buildings	(3,301,858)	204,003	-	(3,505,861)
Furniture, Vehicles and Equipment	(479,353)	30,888	700	(509,541)
Total Accumulated Depreciation	(4,514,313)	257,367	700	(4,770,980)
Net Capital Asset Cost	$ 10,552,746	$ 1,922,492	$ -	$ 12,475,238

Depreciation expense has not been allocated to individual governmental functions.

NOTE 6 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT AND CONCENTRATION OF CREDIT RISK

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

Uncollateralized	$ -
Insured by the Federal Deposit Insurance Corporation	250,000
Collateralized with securities held by the pledging financial institution in the District's name.	250,000
Collateralized with securities held by the pledging financial institution's trust department or agency in the District's name.	4,456,075

Restricted cash and investments represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $1,716,318 restricted for various fund balance reserves in the General Fund, $10,231 restricted for Extraclassroom in the Fiduciary Funds, and $2,801 restricted for scholarships in the Fiduciary Funds.

NOTE 7 – INTERFUND BALANCES AND ACTIVITY

	Receivable	Payable	Revenues	Expenditures
General Fund	$ 1,432,854	$ -	$ -	$ 1,113,547
Special Aid Fund	-	725,038	13,547	-
School Lunch Fund	-	707,816	-	-
Capital Projects	-	-	1,100,000	-
Debt Service	-	-	-	-
Total Government Activities	1,432,854	1,432,854	1,113,547	1,113,547
Fiduciary Agency Fund	-	-	-	-
Totals	$ 1,432,854	$ 1,432,854	$ 1,113,547	$ 1,113,547

NOTE 8 – LONG-TERM OBLIGATIONS

At June 30, 2022, the total outstanding indebtedness of the District represented 7% of its statutory debt limit, exclusive of building aid.

- Serial Bonds: The District borrows money in order to acquire land and equipment or to construct building and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.
- Due to Retirement Systems: Represents funds accrued to pay for the District's contribution to the New York State Employee and Teachers' Retirement Systems. This liability is liquidated from the General and School Food Service Funds.
- Compensated Absences: Represents the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General and School Food Service Funds.
- Other Post-employment Benefits: Represents the net obligation of the District for other post-employment benefits, including medical and prescription drug insurances.

The following is a summary of the District's notes payable and long-term debt for the year ended June 30, 2022:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2022
Serial Bonds	11/15/2007	11/15/2023	4.25%	$ 100,000
Refunding Bonds	11/9/2017	6/15/2026	5.00%	1,385,000
Serial Bonds	6/7/2018	6/15/2033	5.00%	910,000
Total Bonds				$ 2,395,000
Interest Paid on Long-term Debt During the Year Was:				
Interest Paid				$ 141,463
Plus Amortized Deferred Amounts				-
Total Expense				$ 141,463

Interest paid on the Serial Bond varies from year to year, in accordance with the interest rates specified in the bond agreement.

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Long-term Liabilities					
Governmental Activities:					
Bonds Payable	$ 2,990,000	$ -	$ 595,000	$ 2,395,000	$ 535,000
Lease Purchase Obligations	-	-	-	-	-
Total Long-term Liabilities	2,990,000	-	595,000	2,395,000	535,000
Other Long-term Liabilities:					
Compensated Absences	928,535	85,500	-	1,014,035	-
Other Postemployment Benefits	25,607,208	1,580,400	-	27,187,608	-
Net Pension Liability-Proportionate Share	609,126	-	609,126	-	-
Total Other Long-term Liabilities	27,144,869	1,665,900	609,126	28,201,643	-
Total Long-term Liabilities	$ 30,134,869	$ 1,665,900	$ 1,204,126	$ 30,596,643	$ 535,000

The following is a summary of the maturity of long-term indebtedness. Payment of self-insurance claims, judgments, and compensated absences are dependent upon future factors and therefore the timing of such payments cannot be determined.

Year	Principal	Interest	Total
2023	$ 535,000	$ 116,875	$ 651,875
2024	460,000	93,000	553,000
2025	485,000	70,000	555,000
2026	285,000	45,750	330,750
2027	80,000	31,500	111,500
2028-2032	445,000	95,250	540,250
2033-2037	105,000	5,250	110,250
Total	$ 2,395,000	$ 457,625	$ 2,852,625

NOTE 9 – DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

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

The District accrues a liability for compensated absences, including sick leave, vacation, and personal time. In accordance with the provisions of GASB 16, the value for compensated absences is considered a contingent liability. The District reports $1,014,035 for compensated absences.

NOTE 11 – PENSION PLAN OBLIGATIONS

Plan Description and Benefits Provided

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

The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the system. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report, 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 New York State and Local Retirement System, 110 State Street, Albany, NY 12244. .

Funding Policies

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

NOTE 11 – PENSION PLAN OBLIGATIONS (CONTINUED)

Funding Policies (Continued)

The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2019-2020	$ 377,919	$ 65,183
2020-2021	330,544	69,459
2021-2022	402,965	79,285

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

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

	ERS	TRS
Measurement Date	3/31/2022	6/30/2021
District's Proportionate Share of the Net Pension (Asset)/Liability	$ (199,945)	$ (3,967,037)
District's Portion of the Plan's total Net Pension (Asset)/Liability	0.2445900%	0.022892%
Change in Proportion Since the Prior Measurement Date	$ 201,697	$ (4,574,411)

For the year ended June 30, 2022, the District's recognized pension expense of $17,303 for ERS and $(252,780) for TRS. At June 30, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	$ 15,142	$ 546,814	$ 19,640	$ 20,610
Changes of Assumptions	333,686	1,304,841	5,631	231,068
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	654,736	4,151,914
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	60,653	21,794	38,040	109,874
District's Contributions Subsequent to the Measurement Date	19,224	449,637	-	-
Total	$ 428,705	$ 2,323,086	$ 718,047	$ 4,513,466

NOTE 11 – PENSION PLAN OBLIGATIONS (CONTINUED)

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

	ERS	TRS
Year Ended:	March 31	June 30
2022	$ -	$ (537,448)
2023	(43,813)	(622,739)
2024	(68,910)	(769,154)
2025	(167,007)	(1,015,737)
2026	(28,837)	177,281
Thereafter	-	127,777

Actuarial Assumptions

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

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Interest Rate	5.90%	6.95%
Salary Scale	4.40%	1.95%-5.18%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.70%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2020.

For ERS, the actuarial assumptions used in the March 31, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

NOTE 11 – PENSION PLAN OBLIGATIONS (CONTINUED)

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

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Asset Type:		
Domestic Equity	3.30%	6.80%
Private Equity	6.50%	10.00%
International Equity	5.85%	7.60%
Real Estate	5.00%	6.50%
Global Equities	N/A	7.10%
Private Debt	N/A	5.90%
Real Estate Debt	N/A	3.30%
Opportunistic Portfolio	4.10%	N/A
Real Assets	5.58%	N/A
Domestic Fixed Income Securities	N/A	1.30%
Global Fixed Income Securities	N/A	0.80%
Bonds and Mortgages	3.78%	N/A
Short-term	-1.00%	-0.20%
High-Yield Fixed Income Securities	N/A	3.80%

Discount Rate

The discount rate used to calculate the total pension (asset)/liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset)/liability.

NOTE 11 – PENSION PLAN OBLIGATIONS (CONTINUED)

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

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

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's Proportionate Share of the Net Pension (Asset)/Liability	$ 514,656	$ (199,945)	$ (797,674)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's Proportionate Share of the Net Pension (Asset)/Liability	$ (416,283)	$ (3,967,037)	$ (6,951,188)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' Total Pension (Asset)/Liability	$ 223,874,888	$ 130,819,415
Plan Net Position	232,049,473	148,148,457
Employers' Total Pension (Asset)/Liability	$ (8,174,585)	$ (17,329,042)
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	-103.65%	113.20%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $19,224. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a State aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $449,637.

NOTE 12 – RISK MANAGEMENT

General

The 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 United States is still in the midst of a national health emergency due to the Novel Coronavirus (COVID-19). There is continued uncertainty regarding the magnitude and duration of the economic impacts on the District and local tax base of the District at this time.

Consortiums

Health Insurance

The District participates in the BOCES sponsored Cooperative Health Insurance Fund of Central New York, a non-risk-retained public entity risk pool for its employees' health insurance coverage. The pool is operated for the benefit of 29 Districts and 1 BOCES and is sponsored by Onondaga-Cortland-Madison BOCES. The District pays an annual premium to the plan for this health insurance coverage. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities.

During the year-ended June 30, 2022, the District incurred premium or contribution expenditures of $1,518,816.

Workers' Compensation

The Lyncourt Union Free School District incurs costs related to a workers' compensation plan (Plan) sponsored by OCM BOCES. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law. The Plan's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. District's joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by forwarding a resolution passed by the District's Board of Education prior to May 1, to withdraw by the end of the fiscal year. Plan members include twenty-nine districts and two BOCES. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

During the year-ended June 30, 2022, the District incurred premium or contribution expenditures of $58,483.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate costs of claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

NOTE 13 – POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board, subject to applicable collective bargaining, and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

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

Inactive Employees or Beneficiares Currently Receiving Benefit Payments	31
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	79
	110

Total OPEB Liability

The District's total OPEB liability of $27,187,608 was measured as of July 1, 2021 and was determined by an actuarial valuation as July 1, 2020.

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

Inflation	2.20 Percent
Discount Rate	2.14 Percent
Healthcare Cost Trend Rates	7.0 Percent for 2022, decreasing to an ultimate rate of 3.94 Percent for year ended 2091
Retirees' Share of Benefit-Related Costs	Varies based upon contribution rates at date of retirement

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with adjustments to 2006 using scale MP-2014, and projected forward with scale MP-2020.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study as of July 1, 2020 and financial data and actuarial roll forward techniques to calculate the results as of July 1, 2021 (the Measurement Date).

NOTE 13 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at June 30, 2021	$ 25,607,208
Changes for the Year -	
Service Cost	1,099,188
Interest	585,266
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	343,471
Benefit Payments	(447,525)
Net Changes	1,580,400
Balance at June 30, 2022	$ 27,187,608

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14%) or 1 percentage point higher (3.14%) than the current rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	$ 32,773,547	$ 27,187,608	$ 22,775,316

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 21,775,217	$ 27,187,608	$ 34,502,211

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

For the year ended June 30, 2022, the District recognized OPEB expense of $1,553,241. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	1,515,563
Changes of Assumptions or Other Inputs	4,116,153	1,497,057
Contributions Subsequent to the Measurement Date	469,777	-
	$ 4,585,930	$ 3,012,620

NOTE 13 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Year Ended	Amount
2023	(131,213)
2024	(131,213)
2025	(94,065)
2026	281,523
2027	503,414
2028 and Thereafter	675,087

NOTE 14 – LEASES

The District leases copiers and multi-function printers through 2024. Total payments on such leases for the fiscal year ended June 30, 2022, totaled $22,502, made up of $19,410 principal and $642 interest. The minimum future operating lease payments are as follows:

Year	Principal	Interest	Total
2023	$ 19,803	$ 249	$ 20,052
2024	1,668	3	1,671
2025	-	-	-
2026	-	-	-
2027	-	-	-
Total	$ 21,471	$ 252	$ 21,723

NOTE 15 – PRIOR PERIOD ADJUSTMENT

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the standard resulted in the reporting of an asset (right-of-use asset, net) and liability (lease liability). As a result of the adoption, there was an adjustment to net position of $73,683.

NOTE 16 – SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 11, 2022, the date the financials were available to be issued.

REQUIRED AND OTHER SUPPLEMENTAL SCHEDULES

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real Property Taxes	$ 6,323,138	$ 5,339,276	$ 5,334,680	$ (4,596)
Other Tax Items	523,865	1,507,727	1,509,013	1,286
Charges for Services	-	-	-	-
Use of Money and Property	26,100	26,100	8,884	(17,216)
Sale of Property and Compensation for Loss	-	-	-	-
Miscellaneous	41,192	41,192	145,845	104,653
Interfund Revenues	-	-	120,000	120,000
Total Local Sources	6,914,295	6,914,295	7,118,422	204,127
State Sources	4,954,705	4,954,705	4,876,015	(78,690)
Federal Sources	-	-	-	-
Medicaid Reimbursement	26,000	26,000	55,780	29,780
Total Revenues	11,895,000	11,895,000	12,050,217	155,217
OTHER FINANCING SOURCES				
Transfers From Other Funds	-	-	-	-
Premium on Obligations	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	11,895,000	11,895,000	$ 12,050,217	$ 155,217
APPROPRIATED FUND BALANCE				
Prior Year Surplus	100,000	100,000		
Prior Year Encumbrances	-	764		
Appropriated Reserves	65,000	65,000		
Total Appropriated Fund Balance	165,000	165,764		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 12,060,000	$ 12,060,764		

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual
EXPENDITURES					
General Support					
Board of Education	$ 20,650	$ 16,200	$ 13,006	$ -	$ 3,194
Central Administration	222,500	229,200	225,043	-	4,157
Finance	176,300	172,750	171,636	-	1,114
Staff	116,600	119,600	111,712	-	7,888
Central Services	831,500	1,038,414	893,272	5,824	139,318
Special Items	92,150	103,300	96,092	-	7,208
Total General Support	1,459,700	1,679,464	1,510,761	5,824	162,879
Instruction					
Instruction, Administration and Improvements	312,600	319,600	293,938	-	25,662
Teaching - Regular School	3,441,254	3,457,071	3,399,560	667	56,844
Programs for Children With Handicapping Conditions	1,934,250	1,722,750	1,686,183	537	36,030
Occupational Education	14,000	14,000	13,441	-	559
Teaching - Special School	-	-	-	-	-
Instructional Media	320,052	227,052	218,942	-	8,110
Pupil Services	257,250	259,933	252,104	2,644	5,185
Total Instruction	6,279,406	6,000,406	5,864,168	3,848	132,390
Pupil Transportation	704,275	764,275	678,837	-	85,438
Community Services	28,817	28,817	16,688	-	12,129
Employee Benefits	2,721,339	2,721,339	2,581,788	-	139,551
Debt Service	736,463	736,463	736,463	-	-
Total Expenditures	11,930,000	11,930,764	11,388,705	9,672	532,387
OTHER USES					
Interfund Transfer	130,000	130,000	1,113,547	-	(983,547)
Total Expenditures and Other Uses	$ 12,060,000	$ 12,060,764	12,502,252	$ 9,672	$ (451,160)
Net Change in Fund Balance			(452,035)		
Fund Balance - Beginning			3,564,210		
Other Adjustments to Fund Balance			-		
Fund Balance - Ending			$ 3,112,175		

Note to Required Supplementary Information:
Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America.

See paragraph on supplementary schedules included in independent auditor's report.

Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2022

Measurement Date	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability					
Service cost	$ 1,068,742	$ 823,306	$ 768,243	$ 697,468	$ 1,099,188
Interest	679,040	779,304	814,495	732,869	585,266
Changes in benefit terms	-	177,682	(908,963)	-	-
Differences between expected and actual experience	-	(1,662,700)	-	(898,517)	-
Changes in assumptions and other inputs	(3,264,740)	(239,904)	(279,001)	5,055,420	343,471
Expected Benefit payments	(404,603)	(427,916)	(419,221)	(443,340)	(447,525)
Net change in total OPEB liability	(1,921,561)	(550,228)	(24,447)	5,143,900	1,580,400
Total OPEB liability - beginning	22,959,544	21,037,983	20,487,755	20,463,308	25,607,208
Total OPEB liability - ending	$ 21,037,983	$ 20,487,755	$ 20,463,308	$ 25,607,208	$ 27,187,608
Covered payroll	$ 3,945,873	$ 4,022,718	$ 4,242,418	$ 4,378,726	$ 4,612,436
Total OPEB liability as a percentage of covered payroll	533.16%	509.30%	482.35%	584.81%	589.44%

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

See paragraph on supplementary schedules included in independent auditor's report.

Required Supplementary Information
Schedule of District Contributions

NYSLRS Pension Plan

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 78,850	$ 88,227	$ 76,701	$ 70,863	$ 66,412	$ 65,183	$ 69,459	$ 79,285		
Contributions in relation to the contractually required contribution	78,850	88,227	76,701	70,863	66,412	65,183	69,459	79,285		
Contribution deficiency (excess)	-	-	-	-	-	-	-	-		
District's covered-employee payroll	472,016	535,930	555,281	539,722	525,231	553,440	645,049	712,777		
Contributions as a percentage of covered-employee payroll	16.70%	16.46%	13.81%	13.13%	12.64%	11.78%	10.77%	11.12%		

NYSTRS Pension Plan

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 469,320	$ 526,766	$ 420,700	$ 397,944	$ 330,708	$ 377,919	$ 330,554	$ 370,296		
Contributions in relation to the contractually required contribution	469,320	526,766	420,700	397,944	330,708	377,919	330,554	370,296		
Contribution deficiency (excess)	-	-	-	-	-	-	-	-		
District's covered-employee payroll	3,059,107	3,209,098	3,436,784	3,482,996	3,558,561	3,751,769	3,903,514	4,171,463		
Contributions as a percentage of covered-employee payroll	15.34%	16.41%	12.24%	11.43%	9.29%	10.07%	8.47%	8.88%		

See paragraph on supplementary schedules included in independent auditor's report.

Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension (Asset)/Liability

NYSLRS Pension Plan

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/liability	$ 51,633	$ 268,458	$ 150,622	$ 48,754	$ 114,763	$ 498,180	$ 1,752	$ (199,945)		
District's proportionate share of the net pension (asset)/liability	0.0015284%	0.0016726%	0.0016030%	0.0015106%	0.0016197%	0.0018813%	0.0017596%	0.0024459%		
District's covered-employee payroll	472,016	535,930	555,281	539,722	525,231	553,440	645,049	712,777		
District's proportionate share of the net pension (asset)/liability as a percentage of its covered-employee payroll	10.94%	50.09%	27.13%	9.03%	21.85%	90.02%	0.27%	-28.05%		
Plan fiduciary net position as a percentage of the total pension (asset)/ liability	97.95%	90.68%	94.70%	98.24%	96.27%	86.39%	99.95%	-103.65%		

NYSTRS Pension Plan

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/liability	$ (2,177,959)	$ (2,077,824)	$ 220,212	$ (162,864)	$ (374,618)	$ (553,881)	$ 607,374	$ (3,967,037)		
District's proportionate share of the net pension (asset)/liability	0.19552%	0.02000%	0.02056%	0.02143%	0.020717%	0.021319%	0.021980%	0.022892%		
District's covered-employee payroll	3,059,107	3,209,098	3,436,784	3,482,996	3,558,561	3,751,769	3,903,514	4,171,463		
District's proportionate share of the net pension (asset)/liability as a percentage of its covered-employee payroll	-71.20%	-64.75%	6.41%	-4.68%	-10.53%	-14.76%	15.56%	-95.10%		
Plan fiduciary net position as a percentage of the total pension (asset)/ liability	-111.48%	-110.46%	99.01%	-100.66%	-101.53%	-102.17%	97.76%	-113.20%		

See paragraph on supplementary schedules included in independent auditor's report.

Supplementary Information
Schedules of Change from Adopted Budget to Final Budget
and Use of Unreserved Fund Balance – General Fund
For the Year Ended June 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	12,060,000
Add: Prior Year's Encumbrances		764
Original Budget		12,060,764
Budget Revision:		-
Final Budget	$	12,060,764

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 Voter-Approved Expenditure Budget	$	13,350,000
Maximum Allowed (4% of 2021-2022 Budget)		534,000

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

Unrestricted Fund Balance		
Committed Fund Balance	$ -	
Assigned Fund Balance	9,672	
Unassigned Fund Balance	1,386,184	
Total Unrestricted Fund Balance	1,395,856	
Less:		
Appropriated Fund Balance	-	
Insurance Recovery Reserve	-	
Tax Reduction Reserve	-	
Encumbrances Included in Committed and Assigned Fund Balance	9,672	
Total Adjustments	9,672	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 1,386,184
Actual Percentage		10.38%

Supplementary Information
Net Investment in Capital Assets
For the Year Ended June 30, 2022

Capital Assets, Net		$ 12,475,238
Deduct:		
Short-term Portion of Bonds Payable	$ 535,000	
Long-term Portion of Bonds Payable	1,860,000	
Total Bonds Payable		2,395,000
Bond Anticipation Note		
Total Bond Anticipation Notes		-
Net Investment in Capital Assets		$ 10,080,238

See paragraph on supplementary schedules included in independent auditor's report.

Supplementary Information
Schedule of Project Expenditures – Capital Project Fund
For the Year Ended June 30, 2022

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Capital Project	$ 2,000,000	$ 1,998,000	$ 1,998,000	$ -	$ 1,998,000	$ -
Smart Schools Bond Act	277,464	277,464	120,202	120,567	240,769	36,695
Conference Room	100,000	100,000	100,000	-	100,000	-
Emergency Kitchen	55,000	36,320	36,320	-	36,320	-
Sensory Room I	100,000	100,000	100,000	-	100,000	-
Sensory Room II	100,000	100,000	100,000	-	100,000	-
Bathroom Tile	-	129,500	129,500	-	129,500	-
Capital Project	6,400,000	6,400,000	207,266	1,779,983	1,987,249	4,412,751
Sensory Room III	100,000	100,000	100,000	-	100,000	-
Strategic Room	100,000	100,000	-	100,000	100,000	-
Totals	$ 9,232,464	$ 9,341,284	$ 2,891,288	$ 2,000,550	$ 4,891,838	$ 4,449,446

See paragraph on supplementary schedules included in independent auditor's report.

Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of Education of
Lyncourt Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lyncourt Union Free School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lyncourt Union Free School District's basic financial statements, and have issued our report thereon dated October 11, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lyncourt Union Free School District's internal control over financial reporting (internal control) to determine the 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 Lyncourt Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lyncourt Union Free 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lyncourt Union Free 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Certified Public Accountants

Cortland, New York
October 11, 2022

Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of
Lyncourt Union Free School District

Report on Compliance for Each Major Federal Program

We have audited Lyncourt Union Free School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lyncourt Union Free School District's major federal programs for the year ended June 30, 2022. Lyncourt Union Free School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lyncourt Union Free School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lyncourt Union Free School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lyncourt Union Free School District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Lyncourt Union Free School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lyncourt Union Free School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lyncourt Union Free School District's internal control over compliance.

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

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

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

Parr, Kashdin & McNeil

Certified Public Accountants

Cortland, New York
October 11, 2022

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Pass-thru New York State Department of Education:				
Special Education Cluster:				
IDEA, Part B PL-142	84.027	0032-22-0654	$ -	$ 106,645
Special Education Preschool Grants PL99-457	84.173	0033-22-0654	-	4,913
Total Special Education Cluster			$ -	$ 111,558
* Elementary & Secondary School Emergency Relief Fund	84.425D	5891-21-2155	-	225,779
* Elementary & Secondary School Emergency Relief Fund	84.425D	5891-22-2155	-	330,891
Title I Grants to Local Education Agencies	84.010	0021-22-2155	-	179,067
Supporting Effective Instruction State Grants	84.367	0147-22-2155	-	25,065
Student Support and Academic Enrichment Program	84.424	0204-22-2155	-	11,057
TOTAL DEPARTMENT OF EDUCATION			$ -	$ 883,417
DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster:				
* National School Lunch Program	10.555		$ -	$ 261,815
* National School Breakfast Program	10.553		-	141,401
* Summer Food Service Program	10.559		-	214
* Government Surplus Program	10.550		-	17,663
Total Child Nutrition Cluster			$ -	$ 421,093
TOTAL DEPARTMENT OF AGRICULTURE			$ -	$ 421,093
TOTAL FEDERAL EXPENDITURES			$ -	$ 1,304,510

* Denotes major program.

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information presented in the Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations, Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as Federal expenditures were obtained from the Federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The Federal expenditures are recognized under Uniform Guidance.

NOTE 3 – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs, or to charge indirect costs to certain federal award programs, based upon a rate established by New York State, and the District has elected not to use the 10% de minimis indirect rate allowed under the Uniform Guidance applied to overall expenditures.

NOTE 4 – NON-CASH ASSISTANCE

The Lyncourt Union Free School District is the recipient of a federal financial assistance program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2022, the Lyncourt Union Free School District received $17,663 worth of surplus food.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

1. The Auditor's report expresses an unmodified opinion on the general-purpose financial statements of the Lyncourt Union Free School District.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Lyncourt Union Free School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of internal control over major federal award programs.
5. The Auditor's report on compliance for the major federal award programs for the Lyncourt Union Free School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Lyncourt Union Free School District.
7. The programs tested as major programs included:

CFDA #	Project Title
	Child Nutrition Cluster
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund

8. The threshold for distinguishing between Type A and Type B programs was $750,000.
9. The Lyncourt Union Free School District qualified as a high risk auditee.

SECTION 2 – FINANCIAL STATEMENT FINDINGS

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS