

**BEMUS POINT CENTRAL
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

BEMUS POINT CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the President and Members of
The Board of Education
Bemus Point Central School District
Bemus Point, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of **Bemus Point Central School District** as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise **Bemus Point Central School 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 the **Bemus Point Central 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 the **Bemus Point Central School District** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Notes 6 and 7 to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Also, as described in Note 7, the District recorded a prior period adjustment related to its OPEB liability as a result of a new actuarial study. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited the **Bemus Point Central School District's** June 30, 2021 financial statements, and our report dated October 4, 2021, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Bemus Point Central 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the **Bemus Point Central 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 **Bemus Point Central 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 the management's discussion and analysis (pages 3-9) and budgetary comparison information (pages 35-36) schedule of changes in District's net OPEB liability and related ratios (page 42), schedule of District contributions – OPEB (page 43), schedule of the District contributions for defined benefit pension plans (page 44) and the schedule of the District's proportionate share of the net pension asset/liability (page 45) 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 **Bemus Point Central School District's** basic financial statements. The accompanying combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual fund financial statements, other schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 2022, on our consideration of the **Bemus Point Central School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Bemus Point Central 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 **Bemus Point Central School District's** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
October 17, 2022**

I. Discussion and Analysis

The following is a discussion and analysis of the *Bemus Point Central School District's* financial performance for the 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 based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which follows this section.

II. Financial Highlights

The following items are the financial highlights experienced by the *Bemus Point Central School District* during the fiscal year ended June 30, 2022:

- Overall net position of the District increased during the current year from operations in the amount of \$1,282,000 as compared to an increase of \$391,000 during the prior fiscal year.
- The District's total revenue increased 3% from \$15,850,000 for the year ended June 30, 2021 to \$16,357,000 for the year ended June 30, 2022 due to an increase in Federal aid related to Pandemic related grants.
- The District's total expenses decreased approximately 2% from \$15,459,000 during the year ended June 30, 2021 to \$15,075,000 during the year ended June 30, 2022. This decrease was primarily the result of decreases in pension expense related to actuarial updates.
- The District's had capital outlays during the current year in the amount of approximately \$1,186,000 which primarily related to the capital reconstruction project, a capital outlay project and vehicle and equipment purchases.

III. Overview of the Financial Statements

This annual report consists of three parts: 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 *Bemus Point Central School District*.

**III. Overview of the Financial Statements
(continued)**

A. Reporting the School District as a Whole (District-wide Financial Statements):

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

1. Statement of Net Position

The Statement of Net Position (page 10) shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

2. Statement of Activities

The Statement of Activities (page 11) shows the amounts of program-specific and general District revenue used to support the District's various functions.

The Statement of Net Position and Statement of Activities divide the activities of the District into two categories: governmental activities (the school functions, including general support, instruction, transportation, administration, etc.; property taxes, state and federal revenue usually support most of these functions) and proprietary activities. The District only had governmental activities during the current fiscal year.

The two district-wide statements report the School District's net position and how they have 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 non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**III. Overview of the Financial Statements
(continued)**

B. Reporting the District's Most Significant Funds (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. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate column.

The District has two kinds of funds:

1. 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 the balances left at year-end that are available for spending. Consequently the governmental funds

**III. Overview of the Financial Statements
(continued)**

B. Reporting the District's Most Significant Funds (Fund Financial Statements): (continued)

1. Governmental Funds (continued)

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.

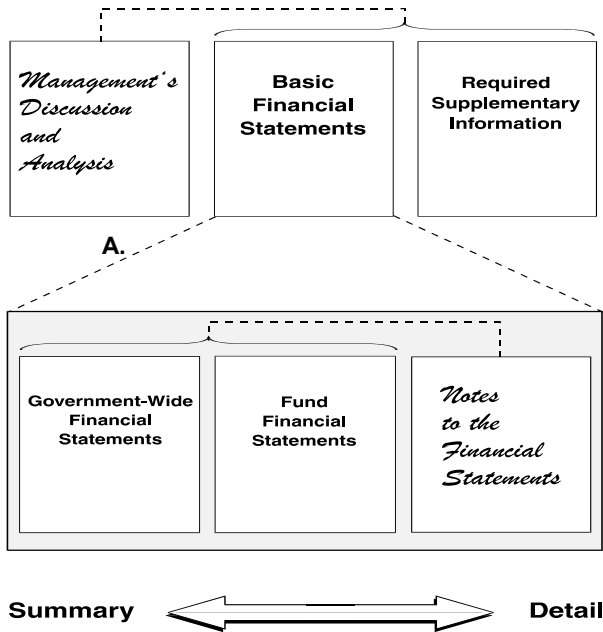
2. Fiduciary Funds

The District does not have activities that qualify for reporting as a fiduciary activity.

Figure A-1 - Major Features of the District-Wide Statements 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
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, 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, right-to-use 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 or right-to-use assets, although they can
Type of inflow/outflow information	All revenues and expenses during the 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

Figure A-2 - Required Components of the District's Annual Financial Report



IV. Financial Analysis of the School District as a Whole (continued)

Changes in Net Position (continued)

The total cost of all programs and services of the District decreased 2% to \$15,075,000. The District's expenses cover a range of services, with 70% related to instruction and 16% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

Governmental Activities

Revenue of the District's governmental activities increased approximately 3%, while total expenses decreased 2%. The District's total net position increased approximately \$1,282,000 during the fiscal year ended June 30, 2022.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$16,357,000 for the fiscal year ended June 30, 2022. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 55% of the District's total revenue for governmental activities increased 1% during the year ended June 30, 2022 due to an increase in the tax levy.
- The District's state sources which represent \$5,883,000 or 36% of total governmental revenue. The District's state sources decreased approximately 1% during the current year. The District recorded revenue related to its smart school bond project in the prior year which it did not have in the current year.
- During the year ended June 30, 2022, the District saw an increase in program revenue, which resulted from an increase in charges for services of \$41,000 and an increase in operating grants and contributions of \$468,000. The increase in operating grants and contributions is primarily related to an increase in federal grant monies received and expended in the current year.

IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately \$14,233,000. The components of net position include: net investment in capital assets, of \$12,049,000; restricted net position of \$2,785,000 and unrestricted net position - deficit of \$ (601,000).

Changes in Net Position

The District's total government-wide revenue increased by approximately 3% to \$16,357,000. Approximately 55%, 6% and 36% of total revenue is derived from the property taxes, operating grants, and state aid, respectively. The remaining 3% comes from federal aid, use of money and property, miscellaneous and charges for services.

IV. Financial Analysis of the School District as a Whole (continued)

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service costs and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$15,075,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support costs increased by approximately \$21,000 or 1%. This decrease was primarily the result of a decrease in pension expense related to actuarial updates.
- The District's instruction costs decreased by approximately \$604,000 or 5%. This decrease was primarily the result of a decrease in pension expense related to actuarial updates offset by an increases in wages.
- Debt service costs decreased \$36,000 during the current year due to a decrease in interest expense.
- Transportation costs of the District increased \$121,000 or 12% during the year ended June 30, 2022 due to an increase in salaries, contractual expenses and depreciation expense.
- The District's cost of sales (food service fund) totaled \$266,000 during the current year as compared to \$152,000 during the fiscal year ended June 30, 2021. This increase was the result of an increase in cost of sales.
- The District received approximately \$1,079,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$14.0 million) were financed by real property taxes and state aid.

IV. Financial Analysis of the School District as a Whole (continued)

Figure A-3 – Condensed Statement of Net Position

<i>Bemus Point Central School District</i>			
<i>Condensed Statement of Net Position (in thousands of dollars)</i>			
	Governmental Activities and Total District-wide		
	2022	2021	% Change
Assets			
Current and other assets	\$ 10,782	\$ 5,660	90%
Capital and right-to-use assets, net	25,732	25,726	0%
Total assets	<u>36,514</u>	<u>31,386</u>	<u>16%</u>
Deferred outflows of resources			
	4,203	4,211	0%
Total assets and deferred outflows	<u>\$ 40,717</u>	<u>\$ 35,597</u>	<u>14%</u>
Liabilities			
Other liabilities	\$ 1,628	\$ 1,524	7%
Long-term liabilities	16,950	18,239	-7%
Total liabilities	<u>18,578</u>	<u>19,763</u>	<u>-6%</u>
Deferred inflows of resources			
	7,906	2,165	265%
Net position			
Net investment in capital & right-to-use assets	12,049	11,697	3%
Restricted	2,785	2,408	16%
Unrestricted	(601)	(436)	38%
Total net position	<u>14,233</u>	<u>13,669</u>	<u>4%</u>
Total liabilities, deferred inflows and net position	<u>\$ 40,717</u>	<u>\$ 35,597</u>	<u>14%</u>

Figure A-4 – Changes in Net Position

<i>Bemus Point Central School District</i>			
<i>Changes in Net Position from Operating Results (in thousands of Dollars)</i>			
	Governmental Activities and Total District-wide		
	2022	2021	% Change
Revenue			
Program revenue			
Charges for services	\$ 143	\$ 102	40%
Operating grants and contributions	936	468	100%
General revenue			
Real property taxes	9,077	8,982	1%
Use of money & property	8	18	-56%
Sale of property & comp for loss	6	10	-40%
State sources	5,883	5,970	-1%
Federal sources	142	161	n/a
Miscellaneous	162	139	17%
Total revenue	<u>16,357</u>	<u>15,850</u>	<u>3%</u>
Expenses			
General support	2,578	2,557	1%
Instruction	10,479	11,083	-5%
Transportation	1,137	1,016	12%
Debt service - interest	615	651	-6%
Food service program	266	152	75%
Total expenses	<u>15,075</u>	<u>15,459</u>	<u>-2%</u>
Change in net position	<u>\$ 1,282</u>	<u>\$ 391</u>	

**BEMUS POINT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Figure A-5 – Sources of revenue

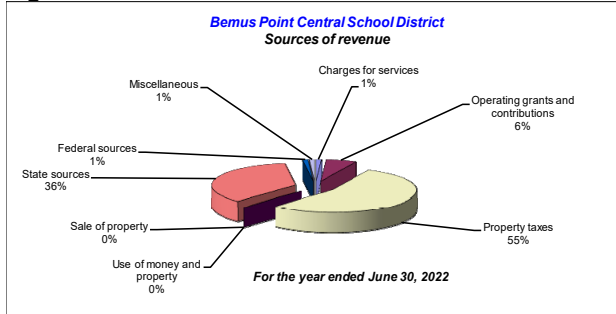


Figure A-6 - Expenses

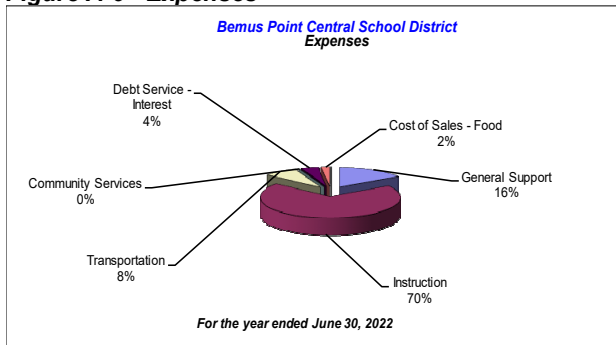


Figure A-7 – Expenditures Supported with Program Revenue

	Governmental Activities & Total District	
	2022	2021
Expenditures supported with general revenue (from taxes & other sources)	\$ 13,996 93%	\$ 14,889 96%
Expenditures supported with program revenue	1,079 7%	569 4%
Total expenditures related to governmental activities	\$ 15,075 100%	\$ 15,458 100%

Figure A-8 – Net Cost of Governmental Activities

	Total cost of services			Net cost of services		
	2022	2021	Change	2022	2021	Change
General support	\$ 2,578	\$ 2,557	\$ 21	\$ 2,578	\$ 2,557	\$ 21
Instruction	10,479	11,082	(603)	9,701	10,680	(979)
Transportation	1,137	1,016	121	1,124	1,011	113
Debt service - interest	615	651	(36)	615	651	(36)
Cost of sales - food	266	152	114	(22)	(10)	(12)
Total	\$ 15,075	\$ 15,458	\$ (383)	\$ 13,996	\$ 14,889	\$ (893)

V. Financial Analysis of the School District's Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund revenues and other sources exceeded its revenues and other uses by approximately \$21,100.
- The District's general fund unassigned fund balance equated to approximately \$922,000 as of June 30, 2022.
- The District had many fund balance reserves during the year ended June 30, 2022, and had a total restricted fund balance of approximately \$2,105,000.
- The District's total assets increased approximately \$3,000 as of June 30, 2022. The District's liabilities decreased approximately \$15,000.
- Total revenue in the District's general fund increased \$233,000 which was primarily related to an increase in State aid and property taxes. Total expenditures in the District's general fund increased \$989,000 resulting from an increase in salaries, benefits, materials and supplies, and contractual expenses.

Food Service Fund

- The District's food service fund experienced a \$22,000 increase in fund equity during the current fiscal year.
- Revenue in the District's food service fund was \$288,000 during 2022 as compared with \$161,000 in 2021. Expenditures were \$266,000 during 2022 as compared with \$152,000 in 2021. These increases can be attributed to an increase in meals served.

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$341,000 or 100% in the current year primarily related an increase in Pandemic related Federal grants.

VI. General Fund Budgetary Highlights

Over the course of the year, the District makes many budget transfers. Actual expenditures were approximately \$616,000 below the revised budget. The most significant positive variances were in the areas of instruction and employee benefits which totaled \$390,000 and \$86,000, respectively, below that budgeted. On the other hand, resources available for appropriations were approximately \$210,000 above the final budgeted amount. With the most significant variances being federal sources which were \$112,000 above, that budgeted.

Figure A-9 – Budget vs. Actual Comparison

<i>Bemus Point Central School District</i>			
General Fund - Budget vs Actual Comparison (in thousands of dollars)			
	Revised Budget	Actual	Difference
Revenue			
Local sources	\$ 9,236	\$ 9,299	\$ 63
State sources	5,848	5,883	35
Federal sources	30	142	112
Total revenue	\$ 15,114	\$ 15,324	\$ 210
Expenditures			
General support	\$ 2,182	\$ 2,095	\$ 87
Instruction	7,834	7,444	390
Transportation	698	659	39
Employee benefits	3,148	3,062	86
Debt service	1,933	1,933	-
Community services	4	-	4
Interfund transfers	120	110	10
Total expenditures	\$ 15,919	\$ 15,303	\$ 616

VII. Capital Assets and Debt Administration

Capital and Right-to-Use Assets

As depicted in Figure A-10, as of June 30, 2022, the District had invested approximately \$25,732,000 in a broad range of capital and right-to-use assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2022, totaled approximately \$1,186,000 and consisted primarily of the purchase of new vehicles and capital improvements related to the District's capital outlay project and ongoing capital project. More detailed information about the District's capital and right-to-use assets is presented in the notes of the financial statements.

Long-term Debt

As depicted in Figure A-11, as of June 30, 2022, the District had approximately \$16,950,000 in bonds, net pension liability, compensated absences and post-employment benefits, a decrease of approximately 7% as compared with the previous year. The decrease in bonds payable and energy performance contract was the result of the current year principal payments. The decrease in the net pension liability was a result of actuarial updates and both the ERS and TRS plans going from a net pension liability to a net pension asset. The increase in the other post-employment benefits liability was the result of an actuarial update.

Figure A-10 – Capital Assets

<i>Bemus Point Central School District</i>			
Capital assets and right-to-use assets (net)			
	Governmental Activities & Total District-wide		
	2022	2021	Change
Land	\$ 72,700	\$ 72,700	0%
Construction-in-progress	610,495	1,709,655	-64%
Building and improvements	41,095,625	39,500,425	4%
Furniture, equipment & vehicles	4,956,027	3,827,139	29%
Accum. Depreciation/Amortization	(21,002,922)	(19,383,461)	8%
Total Capital Assets, net	\$ 25,731,925	\$ 25,726,458	0%

Figure A-11 – Outstanding Long-term Debt

<i>Bemus Point Central School District</i>			
Outstanding Long-Term Debt and Liabilities			
	Governmental Activities & Total District-wide		
	2022	2021	Change
Bonds payable	\$ 12,372,695	\$ 13,378,734	-8%
Net pension liabilities	-	855,426	-100%
Energy performance contract	536,937	613,888	-13%
Compensated absences	205,862	199,656	3%
Other post-employment benefits	3,834,605	3,190,659	20%
Total Long-Term Debt	\$ 16,950,099	\$ 18,238,363	-7%

VIII. Factors Bearing on the District's Future

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

- The District is uncertain as to the level of state aid in the upcoming years as a result of the Pandemic.

IX. Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Bemus Point Central School District
District Administrative Offices
PO Box 468
Bemus Point, New York 14712

BEMUS POINT CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

Schedule 1

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	2022	2021
Assets		
Cash		
Unrestricted	\$ 1,795,985	\$ 2,079,718
Restricted	2,784,674	2,408,479
Receivables		
State and federal aid	347,288	454,598
Due from other governments	211,276	223,523
Other receivables	1,408	-
Inventories	3,573	9,007
Prepaid expenses	4,596	4,596
Net pension assets	5,633,579	-
Cash to be used for capital assets	-	479,341
Capital assets and right-to-use assets, net	25,731,925	25,726,458
Total assets	<u>36,514,304</u>	<u>31,385,720</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	3,877,589	4,051,317
Deferred outflows related to OPEB	325,552	160,007
Total deferred outflows of resources	<u>4,203,141</u>	<u>4,211,324</u>
Total assets and deferred outflows of resources	<u>\$ 40,717,445</u>	<u>\$ 35,597,044</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 104,618	\$ 48,796
Accrued liabilities	40,087	109,981
Accrued interest	31,000	37,000
Due to retirement systems	582,393	585,440
Unearned revenue	96,685	26,145
Bond anticipation notes payable	773,000	717,000
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	1,040,000	1,000,000
Energy performance contract	79,294	76,951
Compensated absences	25,000	25,000
Portion due or payable after one year		
Bonds payable	11,332,695	12,378,734
Energy performance contract	457,643	536,937
Net pension liabilities	-	855,426
Compensated absences	180,862	174,656
Other post-employment benefits	3,834,605	3,190,659
Total liabilities	<u>18,577,882</u>	<u>19,762,725</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	7,343,792	1,999,809
Deferred inflows related to OPEB	562,649	165,299
Total deferred inflows of resources	<u>7,906,441</u>	<u>2,165,108</u>
Net Position		
Net investment in capital assets and right-to-use assets	12,049,293	11,697,030
Restricted	2,784,674	2,408,479
Unrestricted (deficit)	(600,845)	(436,298)
Total net position	<u>14,233,122</u>	<u>13,669,211</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 40,717,445</u>	<u>\$ 35,597,044</u>

BEMUS POINT CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Schedule 2

Page 11

	Expenses	Indirect Expenses Allocation	Program Revenues		2022 Net (Expense) Revenue and Changes in Net Position	2021 Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants		
Functions/Programs						
General support	\$ 2,355,043	\$ 223,455	\$ -	\$ -	\$ (2,578,498)	\$ (2,557,440)
Instruction	9,593,385	885,983	119,378	658,785	(9,701,205)	(10,678,920)
Pupil transportation	788,014	348,654	-	12,546	(1,124,122)	(1,011,135)
Debt service	614,563	-	-	-	(614,563)	(650,933)
Food service program	265,824	-	23,404	264,621	22,201	9,511
Depreciation/amortization	1,458,092	(1,458,092)	-	-	-	-
Total functions and programs	\$ 15,074,921	\$ -	\$ 142,782	\$ 935,952	(13,996,187)	(14,888,917)
General Revenues						
Real property taxes					9,076,941	8,981,860
Use of money and property					7,603	18,284
Sale of equipment and compensation for loss					5,750	9,900
Miscellaneous					162,369	139,364
State sources					5,883,057	5,970,365
Federal sources					142,155	161,091
Total general revenues					15,277,875	15,280,864
Change in net position					1,281,688	391,947
Net position - beginning of year					13,669,211	13,209,711
Prior period adjustments					(717,777)	67,553
Net position - end of year					\$ 14,233,122	\$ 13,669,211

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

Schedule 3

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	Governmental Funds						2022	2021
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	Total	(Memo only) Total
Assets								
Unrestricted cash	\$ 1,666,679	\$ 1,906	\$ 66,629	\$ 680,013	\$ -	\$ 60,771	\$ 2,475,998	\$ 3,168,072
Restricted cash	2,104,661	-	-	-	-	-	2,104,661	1,799,466
Due from other funds	99,916	-	-	-	-	-	99,916	98,778
State and federal aid receivable	101,033	194,830	51,425	-	-	-	347,288	454,598
Due from other governments	211,276	-	-	-	-	-	211,276	223,523
Other receivables	1,408	-	-	-	-	-	1,408	-
Prepaid expenses	4,596	-	-	-	-	-	4,596	4,596
Inventories	-	-	3,573	-	-	-	3,573	9,007
Total assets	<u>\$ 4,189,569</u>	<u>\$ 196,736</u>	<u>\$ 121,627</u>	<u>\$ 680,013</u>	<u>\$ -</u>	<u>\$ 60,771</u>	<u>\$ 5,248,716</u>	<u>\$ 5,758,040</u>
Liabilities and Fund Equity								
Liabilities								
Accounts payable	\$ 87,966	\$ 135	\$ 16,517	\$ -	\$ -	\$ -	\$ 104,618	\$ 48,796
Accrued liabilities	36,979	-	3,108	-	-	-	40,087	109,981
Unearned revenue	-	96,685	-	-	-	-	96,685	26,145
Bond anticipation notes payable	-	-	-	-	773,000	-	773,000	717,000
Due to other funds	-	99,916	-	-	-	-	99,916	98,778
Due to Teachers' Retirement System	550,890	-	-	-	-	-	550,890	518,171
Due to Employees' Retirement System	31,503	-	-	-	-	-	31,503	67,269
Total liabilities	<u>707,338</u>	<u>196,736</u>	<u>19,625</u>	<u>-</u>	<u>773,000</u>	<u>-</u>	<u>1,696,699</u>	<u>1,586,140</u>
Fund Equity								
Nonspendable	4,596	-	3,573	-	-	-	8,169	13,603
Restricted	2,104,661	-	-	680,013	-	-	2,784,674	2,408,479
Committed	-	-	-	-	-	60,771	60,771	57,865
Assigned	449,955	-	98,429	-	-	-	548,384	801,098
Unassigned (deficit)	923,019	-	-	-	(773,000)	-	150,019	890,855
Total fund equity (deficit)	<u>3,482,231</u>	<u>-</u>	<u>102,002</u>	<u>680,013</u>	<u>(773,000)</u>	<u>60,771</u>	<u>3,552,017</u>	<u>4,171,900</u>
Total liabilities and fund equity	<u>\$ 4,189,569</u>	<u>\$ 196,736</u>	<u>\$ 121,627</u>	<u>\$ 680,013</u>	<u>\$ -</u>	<u>\$ 60,771</u>	<u>\$ 5,248,716</u>	<u>\$ 5,758,040</u>

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule 4

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	Governmental Funds						2022	2021
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Revenue								
Real property taxes	\$ 9,076,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,076,941	\$ 8,981,860
Use of money and property	6,302	-	73	1,301	-	-	7,676	67,079
Charges for services	119,378	-	-	-	-	-	119,378	86,512
Sale of property compensation for loss	5,750	-	-	-	-	-	5,750	9,900
Miscellaneous	90,712	-	-	-	-	71,657	162,369	139,364
State sources	5,883,057	108,574	6,307	-	-	-	5,997,938	6,082,086
Federal sources	142,155	562,757	245,308	-	-	-	950,220	505,977
Surplus food	-	-	13,006	-	-	-	13,006	11,066
Sales (school food service)	-	-	23,331	-	-	-	23,331	15,098
Total revenue	15,324,295	671,331	288,025	1,301	-	71,657	16,356,609	15,898,942
Expenditures								
General support	2,095,160	-	-	-	-	-	2,095,160	1,873,090
Instruction	7,444,256	648,312	-	-	-	-	8,092,568	7,311,622
Pupil transportation	659,412	12,546	-	-	-	-	671,958	516,239
Employee benefits	3,062,239	20,944	-	-	-	-	3,083,183	2,898,572
Principal	1,305,951	-	-	-	-	-	1,305,951	1,272,678
Interest	626,602	-	-	-	-	-	626,602	661,015
Capital outlay	-	-	-	-	995,495	-	995,495	2,186,269
Cost of sales	-	-	265,824	-	-	-	265,824	151,711
Other expenses	-	-	-	-	-	68,751	68,751	53,750
Total expenditures	15,193,620	681,802	265,824	-	995,495	68,751	17,205,492	16,924,946
Excess (deficiency) of revenue over expenditures	130,675	(10,471)	22,201	1,301	(995,495)	2,906	(848,883)	(1,026,004)
Other sources and uses								
BANs redeemed from appropriations	-	-	-	-	229,000	-	229,000	313,000
Proceeds from serial bond issuance	-	-	-	-	-	-	-	1,995,000
Operating transfers in	-	10,471	-	69,699	100,000	-	180,170	(118,999)
Operating transfers out	(110,471)	-	-	-	(69,699)	-	(180,170)	118,999
Total other sources (uses)	(110,471)	10,471	-	69,699	259,301	-	229,000	2,308,000
Excess (deficiency) of revenue and other sources over expenditures and other uses	20,204	-	22,201	71,000	(736,194)	2,906	(619,883)	1,281,996
Fund equity (deficit), beginning of year	3,462,027	-	79,801	609,013	(36,806)	57,865	4,171,900	2,822,351
Prior period adjustment	-	-	-	-	-	-	-	67,553
Fund equity (deficit), end of year	\$ 3,482,231	\$ -	\$ 102,002	\$ 680,013	\$ (773,000)	\$ 60,771	\$ 3,552,017	\$ 4,171,900

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

BEMUS POINT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

Total fund balances - governmental funds	\$	3,552,017
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-to-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets and right-to-use assets consist of the following at year-end:		
Cost of the assets	\$	46,734,847
Accumulated depreciation/amortization	<u>(21,002,922)</u>	25,731,925
District's proportionate share of the net pension assets are reported on the statement of net position, whereas in the governmental funds, pension costs are based on required contributions.		5,633,579
Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(31,000)
Net deferred outflows (inflows) of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions.		(3,466,203)
Net deferred outflows (inflows) of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on required contributions.		(237,097)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:		
Bonds payable	(12,372,695)	
Energy performance contract	(536,937)	
Compensated absences	(205,862)	
Other post-employment benefits	<u>(3,834,605)</u>	(16,950,099)
Total net position - governmental activities	<u>\$</u>	<u>14,233,122</u>

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 4,580,659	\$ -	\$ -	\$ -	\$ 4,580,659
Due from other funds	99,916	-	-	(99,916)	-
State and federal aid receivable	347,288	-	-	-	347,288
Due from other governments	211,276	-	-	-	211,276
Other receivables	1,408	-	-	-	1,408
Inventories	3,573	-	-	-	3,573
Prepaid expenses	4,596	-	-	-	4,596
Net pension assets	-	5,633,579	-	-	5,633,579
Capital assets and right-to-use assets, net	-	25,731,925	-	-	25,731,925
Total assets	5,248,716	31,365,504	-	(99,916)	36,514,304
Deferred Outflows of Resources					
Deferred outflows related to pensions and OPEB	-	4,203,141	-	-	4,203,141
Total assets and deferred outflows of resources	\$ 5,248,716	\$ 35,568,645	\$ -	\$ (99,916)	\$ 40,717,445
Liabilities, Deferred Inflows of Resources and Fund Equity					
Liabilities					
Accounts payable	\$ 104,618	\$ -	\$ -	\$ -	\$ 104,618
Accrued liabilities	40,087	-	-	-	40,087
Unearned revenue	96,685	-	-	-	96,685
Accrued interest	-	-	31,000	-	31,000
Due to other funds	99,916	-	-	(99,916)	-
Due to retirement systems	582,393	-	-	-	582,393
Bond anticipation notes payable	773,000	-	-	-	773,000
Bonds payable	-	-	12,372,695	-	12,372,695
Energy performance contract	-	-	536,937	-	536,937
Compensated absences	-	-	205,862	-	205,862
Other post-employment benefits	-	-	3,834,605	-	3,834,605
Total liabilities	1,696,699	-	16,981,099	(99,916)	18,577,882
Deferred Inflows of Resources					
Deferred inflows related to pensions and OPEB	-	-	7,906,441	-	7,906,441
Fund equity and net position					
Total liabilities, deferred inflows of resources, and fund equity/net position	\$ 5,248,716	\$ 35,568,645	\$ -	\$ (99,916)	\$ 40,717,445

BEMUS POINT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds \$ (619,883)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. Activity for the current fiscal year ended was as follows:

Capital outlays	\$ 1,185,716	
Depreciation and amortization expense	<u>(1,458,092)</u>	(272,376)

Repayment of bond principal (including bond refunding) is an expenditure in the governmental funds, but the repayment reduces long-term and short-term liabilities in the government-wide financial statements. Also, interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This also includes the amortization of bond premiums and new premiums earned as a result of bond refunding in the current year.

1,088,990

District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds, pension expense is based on the District's contribution to pension plans.

971,294

District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution to the OPEB plan.

119,869

In the statement of activities, certain operating expenses - compensated absences and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences changed by this amount.

(6,206)

Change in net position of governmental activities

\$ 1,281,688

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 9,076,941	\$ -	\$ -	\$ -	\$ 9,076,941
Use of money and property	7,676	-	-	(73)	7,603
Charges for services	119,378	-	-	(119,378)	-
Sale of property/compensation for loss	5,750	-	-	-	5,750
Miscellaneous	162,369	-	-	-	162,369
State sources	5,997,938	-	-	(114,881)	5,883,057
Federal sources	950,220	-	-	(808,065)	142,155
Surplus food	13,006	-	-	(13,006)	-
Sales (school food service)	23,331	-	-	(23,331)	-
Total revenue	16,356,609	-	-	(1,078,734)	15,277,875
Expenditures					
General support	2,095,160	223,455	-	259,883	2,578,498
Instruction	8,092,568	689,088	6,206	913,343	9,701,205
Pupil transportation	671,958	348,654	-	103,510	1,124,122
Employee benefits	3,083,183	-	(1,091,163)	(1,992,020)	-
Debt service	1,932,553	-	(1,317,990)	-	614,563
Capital outlay	995,495	(988,821)	-	(6,674)	-
Cost of sales	265,824	-	-	(288,025)	(22,201)
Other expenses	68,751	-	-	(68,751)	-
Total expenditures	17,205,492	272,376	(2,402,947)	(1,078,734)	13,996,187
Excess (deficiency) of revenue over expenditures	(848,883)	(272,376)	2,402,947	-	1,281,688
Other sources and uses					
Operating transfers in	180,170	-	-	(180,170)	-
Operating transfers out	(180,170)	-	-	180,170	-
BANs redeemed from appropriations	229,000	-	(229,000)	-	-
Total other sources (uses)	229,000	-	(229,000)	-	-
Net change for year	\$ (619,883)	\$ (272,376)	\$ 2,173,947	\$ -	\$ 1,281,688

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

The accompanying financial statements of the *Bemus Point Central School District* have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The financial statements include all funds and account groups of the School District as well as the component units and other organizational entities determined to be includable in the School District's financial reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity:

Extraclassroom Activity Funds

The extraclassroom activity fund of the *Bemus Point Central School District* represents funds of the students of the School District. The Board of Education exercises general oversight of these funds and has adopted the guidance prescribed by the New York State Education Department for safeguarding, accounting and auditing of extraclassroom activity funds. As a result these funds do not meet the criteria required to be reported as fiduciary funds and are reported as a governmental fund. The cash and investment balances as well as revenues and expenditures are reported in a miscellaneous special revenue fund of the District. Under previous guidance the cash balances were reported as agency funds. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

B. Joint Venture

The *Bemus Point Central School District* is one of 27 component school districts in the Erie 2 – Chautauqua-Cattaraugus 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 which provide educational and support activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture (continued)

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of the administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year, the District was billed \$1,522,000 for BOCES administration, program and capital costs. The District's share of BOCES aid, rental charges and refunds amounted to \$452,000 for the year ended June 30, 2022. Financial statements for the Chautauqua-Cattaraugus BOCES are available at the BOCES administrative offices in Angola, New York.

C. Basis of Presentation

1. 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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

1. District-wide Statements (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental fund types:

General - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Aid - is used to account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

Food Service Fund - is used to account for the all revenue and expenditures pertaining to the cafeteria operations.

Capital Projects - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The fund is also utilized to account for the purchase of transportation vehicles.

Debt Service - is used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

Miscellaneous Special Revenue - is used to account for and report those revenues that are committed (extraclassroom activities) to expenditures for specific purposes.

3. Fiduciary Fund Types

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. The District does not have any activities that qualify for reporting as fiduciary.

D. Measurement Focus and Basis of Accounting

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. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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 the current period or soon enough thereafter to be used to pay liabilities of the current period, except for real property taxes, which are considered to be available if they 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, and compensated absences, which are recognized as expenditures to the extent they have matured.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

General capital and right-to-use asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. 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.

F. Investments

Investments are stated at current market value.

G. Inventory

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 which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase.

H. Capital Assets

Capital assets are reported at actual cost and, estimated historical costs, based on an appraisal conducted by independent third-party professionals was used. Estimated historical costs were estimated based on reverse trending techniques applied against the estimates of current replacement cost.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building and improvements	\$ 50,000	Straight-line	15-40 years
Furniture and equipment	5,000	Straight-line	3-7 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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 government 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 contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized, along with benefits paid subsequent to the measurement period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. This represents the effect of the net change in the District's proportion of the collective net pension liability 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 relates to OPEB reporting in the District-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized.

J. Due To/From Other Funds

The amounts reported on the Statement of Net Position for due to and from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Long-Term Debt

The liabilities reported as long-term liabilities include the School District's general obligation bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term liabilities including vacation leave, sick leave, litigation, and other (i.e. workers' compensation, insurance-related liabilities pertaining to the Governmental Funds).

L. Unearned revenue

Unearned revenue is reported on the District's combined balance sheet. Unearned revenue arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

M. Compensated Absences

Sick Leave Pay - certain of the District's employee groups have negotiated sick leave benefits payable based on accumulated unused sick days. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

The District has recorded an estimated liability in the government-wide financial statements amounting to approximately \$205,862 to recognize the cost of the benefits for those employees eligible to receive such a benefit. Payment of these benefits is dependent on many factors, therefore, the timing of future payments is not readily determinable. The District believes sufficient resources and budgetary appropriations will be available as the benefits become payable in future years. The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the District-wide financial statements.

N. Post-Employment Benefits

In addition to the retirement benefits described in Note 3V, the District provides post-employment health insurance coverage to certain retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. The District recognizes the net cost of providing health insurance in the governmental funds when paid. The Statement of Net position reports the computed District liability at year-end and the Statement of Activities reports the net increase or decrease in the liability as expense.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity

1. Governmental Funds

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

A. Nonspendable

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term loans and notes receivable, and property held for relate (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

1. Inventory and Prepaid Expenses

Nonspendable - Inventory is used to limit the investment in inventory and to restrict that portion of fund balance which is unavailable for appropriation and is accounted for in the School Food Service Fund. Nonspendable - Prepaid expenses is used to restrict a portion of fund balances related to prepaid expenses in the current year, which are not in a spendable form. This is accounted for in the General Fund.

B. Restricted

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

1. Unemployment Reserve

This reserve is used to accumulate funds to pay the cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. 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 be either transferred to another reserve or the excess applied to the appropriations next succeeding fiscal year's budget. If the District elects to convert to tax 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 recorded in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

2. Reserve for Debt Service

This reserve is used for the purpose of retiring the outstanding obligation upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. Interest and earnings on outstanding obligations and remaining bond proceeds not utilized for the intended purpose are recorded in the Reserve for Debt Service. These monies must be used to pay the debt service of the obligations from which they originated. This reserve is accounted for in the Debt Service or General Fund.

3. Insurance Reserve

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

4. Reserve for Employee Benefit Accrued Liability

The purpose of this reserve is for the payment of any accrued employee benefit due an employee upon termination of the employee's service. This reserve fund may be established by a majority vote of the Board of Education 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

5. Reserve for Retirement System Credits

This reserve is used to accumulate funds for employee retirement system contributions. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

6. Capital Reserve

These reserves are used to accumulate funds to finance all or a portion of future capital projects and bus purchases for which bonds may be issued. Voter authorization is required for both the establishment of the reserves and payments from the reserves. These reserves are accounted for in the General Fund or Capital Project Fund.

7. Tax Certiorari Reserve

The purpose of this reserve is to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amounts which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

8. Reserve for Teachers' Retirement Contributions

This reserve is used to pay for district expenses to the NYS Teachers' Retirement System. Funds may be paid into the retirement contribution reserve fund from budgetary appropriation or excess fund balance. Funds added to this reserve will not exceed 2% of teacher salaries in the prior year. When the District experiences a rate increase, the difference from year to year would be supported by the use of this reserve. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

9. Workers' Compensation Reserve

This reserve is used to fund Workers' Compensation expenses, related medical expenses and self-insurance administrative costs. This reserve is funded from excess fund balance, and can be used to pay any expenses related to Workers' Compensation. The reserve is accounted for in the General Fund.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the fund balance of the extraclassroom activities as committed fund balance as of June 30, 2022.

D. Assigned

Fund balance intended to be used by the District for specific purposes but does not meet the criteria to be restricted or committed. Along with the District's Board of Education, the Business Manager and Treasurer has been authorized to assign fund balance amounts for specific purposes through the establishment of an encumbrance.

1. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund.

If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. Reserve for encumbrances totaled \$49,955 as of June 30, 2022.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

1. Governmental Funds (continued)

2. Appropriated Fund Equity

General Fund - The amount of \$400,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2023 as allowed by Section 1318 of the Real Property Tax Law.

E. Unassigned

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

2. Government-wide financial statements

A. Net Investment in Capital and Right-to-use assets

This designation of net position is used to accumulate the capital and right-to-use asset balances in the statement of net position less accumulated depreciation/amortization and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

B. Restricted

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

C. Unrestricted

This category represents net position of the District not restricted for any other purpose.

3. Order of Fund Balance Spending Policy

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- a. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation;
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

3. Order of Fund Balance Spending Policy (continued)

- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

P. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year-end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the current year, the District did not report any supplemental appropriations.

2. Budget Basis for Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the encumbrances carried forward from the prior year.

The budget and actual comparison for the Food Service Fund reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets. The District does not budget for food service fund revenues and expenditures.

Budgetary controls for the special aid fund and capital funds are established in accordance with the applicable grant agreement or authorized project limit which may cover a period other than the District's fiscal year. Consequently, the budgets for such funds have been excluded from the combined schedule of revenue, expenditures and changes in fund equity - budget and actual.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Property Taxes

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31.

2. Enforcement

Uncollected real property taxes are subsequently enforced by the County, in which the School District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

R. Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets.

S. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses.

T. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

U. New Accounting Pronouncement

Effective July 1, 2021, the District implemented the provisions of GASB Statement 87 which establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, thereby, eliminating the distinction between operating and capital leases. As a result substantially all leases are reported on the district-wide statement of net position.

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 governmental 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 Statement of Activities, compared with the current financial resources focus of the governmental funds.

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS (continued)**

**A. Total Fund Equity of Governmental Funds vs. Net
Position of Governmental Activities**

Total fund equity of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

**B. Statement of Revenues, Expenditures and
Changes in Fund Equity vs. Statement of
Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities fall into one of three broad categories. These categories are more fully explained below:

1. Long-term Revenue Differences

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

2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital and right-to-use items in the governmental fund statements and depreciation and amortization expense on those items as recorded in the Statement of Activities.

3. Long-term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS (continued)**

4. 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.

5. 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 - DETAIL NOTES ON ALL FUNDS

I. Cash and Investments

The *Bemus Point Central School District's* investment policies are governed by State statutes. School District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

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 with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2022, the District's bank deposits were fully collateralized.

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

A. Deposits

Deposits are valued at cost or cost plus interest and are categorized as either:

- (1) Insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the entity or by the agent in the entity's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name;
- (3) Uncollateralized

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash and Investments (continued)

A. Deposits (continued)

Total financial institution (bank) balances at June 30, 2022 per bank (including NYClass investments) were approximately \$5,158,000. These deposits are categorized as follows:

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Value</u>
\$ 750,000	\$ 4,408,000	\$ -	\$ 5,158,000

B. Investments

The District has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value, and are categorized as either:

- (1) Insured or registered, or investments held by the District or by the District's agent in the District's name or,
- (2) Uninsured and unregistered, with the investments held by the financial institutes trust department in the District's name, or
- (3) Uninsured and unregistered, with investments held by the financial institution or its trust department but not in the District's name.

The District participates in the Cooperative Liquid Assets Securities System - New York (NYCLASS) a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G Sections 119-n and o, and Chapter 623 of the Laws of 1998, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with general municipal law sections 10 and 11. Total investments of the cooperative at June 30, 2022 are approximately \$4,233,847,036, which consisted of 27% in repurchase agreements, 53% in U.S. Treasury Securities, and 20% in collateralized bank deposits, with various interest rates and due dates. The amount below represents the cost of the investment pool shares, and are considered to approximate market value. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

General Fund:	
NY Class investments	<u>\$ 3,007,213</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

II. Capital Assets and Right-to-Use Assets

A. Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance 6/30/21</u>	<u>Additions Net of Disposals</u>	<u>Ending Balance 6/30/22</u>
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 72,700	\$ -	\$ 72,700
Construction-in-progress	<u>1,709,655</u>	<u>(1,099,160)</u>	<u>610,495</u>
Total non-depreciable capital assets	<u>1,782,355</u>	<u>(1,099,160)</u>	<u>683,195</u>
Capital assets that are depreciated:			
Buildings and improvements	39,500,425	1,595,200	41,095,625
Furniture and equipment	<u>3,827,139</u>	<u>492,781</u>	<u>4,319,920</u>
Total depreciable historical cost	<u>43,327,564</u>	<u>2,087,981</u>	<u>45,415,545</u>
Total cost	45,109,919		46,098,740
Less accumulated depreciation:	<u>19,383,461</u>	<u>\$ 1,366,060</u>	<u>20,749,521</u>
Total net book value	<u>\$25,726,458</u>		<u>\$25,349,219</u>

B. Right-to-use assets

The District reported right-to-use assets net of amortization as of June 30, 2022 in the amount of \$382,706. See Note 6.

C. Depreciation and Amortization

Depreciation and amortization expense was charged to governmental functions as follows:

General support	\$ 223,455
Instruction	885,983
Pupil transportation	<u>348,654</u>
	<u>\$ 1,458,092</u>

D. Additions

Total additions during the current year amounted to approximately \$1,186,000.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

III. Interfund Transactions

Interfund balances at June 30, 2022 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 99,916	\$ -
Special Aid Fund	-	99,916
Debt Service Fund	-	-
School Lunch Fund	-	-
Capital Project Fund	-	-
Total	<u>\$ 99,916</u>	<u>\$ 99,916</u>

Interfund transfers consisted of the following during the fiscal year ended June 30, 2022:

	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General Fund	\$ -	\$ 110,471
Special Aid Fund	10,471	-
Debt Service Fund	69,699	-
School Lunch Fund	-	-
Capital Projects Fund	100,000	69,699
Total	<u>\$ 180,170</u>	<u>\$ 180,170</u>

During the current year, the District transferred \$10,471 from the general fund to the special aid fund as the local share of the summer school handicap program. The District also transferred \$100,000 from the general fund to the capital projects fund related to a capital outlay project. Lastly the District transferred \$69,699 from the capital projects fund to the debt services fund in order to close out completed projects.

IV. Receivables

Receivables at June 30, 2022 consisted of amounts due from State and Federal sources as well as amounts due from other governments and other miscellaneous receivables. District management has deemed the amounts to be fully collectible.

V. Liabilities

A. Pension Plans

1. Plan Descriptions and Benefits Provided

a. Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability 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. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided

**a. Teachers' Retirement System (TRS)
(continued)**

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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

b. Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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 (RSSL). 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. That report, including information with regard to benefits provided, may be found at

www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided (continued)

b. Employees' Retirement System (ERS) (continued)

2. Contributions

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

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS		TRS	
2022	\$	250,000	\$	512,000
2021	\$	237,000	\$	483,000
2020	\$	234,000	\$	463,000

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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.

Measurement date	ERS 3/31/2022		TRS 6/30/2021	
Net pension asset (liability)	\$	459,633	\$	5,173,946
District's portion of the Plan's total net pension liability		.0056227%		0.029857%

For the year ended June 30, 2022, the District's recognized pension expense (benefit) of \$40,054 for ERS and \$(284,439) 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	\$	34,809	\$	713,174	\$	45,149	\$	26,881
Changes of assumptions		767,076		1,701,819		12,944		301,367
Net difference between projected and actual earnings on pension plan investments		-		-		1,505,105		5,415,070
Changes in proportion and differences between the Districts contributions and proportionate share of contributions		55,198		62,025		14,264		23,012
District's contributions subsequent to the measurement date		31,503		511,985		-		-
Total	\$	888,586	\$	2,989,003	\$	1,577,462	\$	5,766,330

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending:	ERS	TRS
2023	\$ (99,969)	\$ (655,712)
2024	(161,728)	(773,311)
2025	(382,722)	(980,527)
2026	(75,961)	(1,304,141)
2027	-	248,339
Thereafter	-	176,040

4. 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:

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/22	6/30/21
Actuarial valuation date	4/1/21	6/30/20
Interest rate	5.9%	6.95%
Salary scale	4.4% average	1.95% - 5.18%
	4/1/15 – 3/31/20	7/1/15 – 6/30/20
	System's	System's
Decrement tables	Experience	Experience
Inflation rate	2.7%	2.4%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

4. Actuarial Assumptions (continued)

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

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

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:

Measurement date	ERS 3/31/22	Expected Rate of Return	TRS 6/30/21	Expected Rate of Return
Asset Type:				
Domestic equity	32%	3.30%	33%	6.8%
International equity	15%	5.85%	16%	7.6%
Global equity	-%	-%	4%	7.1%
Private equity	10%	6.50%	8%	10.0%
Real Estate	9%	5.00%	11%	6.5%
Opportunistic/ARS portfolio	3%	4.10%	-%	-%
Credit	4%	3.78%	-%	-%
Real assets	3%	5.58%	-%	-%
Domestic fixed income securities	-%	-%	16%	1.3%
Global fixed income securities	-%	-%	2%	0.8%
Real estate debt	-%	-%	7%	3.3%
Private debt	-%	-%	1%	5.9%
High-yield fixed income	-%	-%	1%	3.8%
Fixed Income	23%	-%	-%	-%
Cash	1%	-1.0%	1%	(.2)%
Total:	<u>100%</u>		<u>100%</u>	

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

5. Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% 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).

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% 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 (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (1,183,090)	\$ 459,633	\$ 1,833,691

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ 542,930	\$ 5,173,946	\$ 9,065,979

7. Pension Plan Fiduciary Net Position

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

Measurement date	(Dollars in Thousands)	
	ERS 3/31/22	TRS 6/30/21
Employers' total pension liability	\$ 223,874,888	\$ 130,819,415
Plan net position	\$ 232,049,473	\$ 148,148,457
Employers' net pension asset (liability)	\$ 8,174,585	\$ 17,329,042
Ratio of plan net position to be		
Employers' total pension asset (liability)	103.65%	113.2%

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$31,503.

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 \$550,890 of which \$511,985 is related to employer contributions and \$38,905 is related to employee contributions.

B. Other Post-Employment Benefits

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan). The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions are based on bargaining agreements as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility for the Plan is established by the District and specified in the District's employment contracts.

Employees Covered by Benefit Terms

For the fiscal year ended June 30, 2022 the plan had total active employees of 130 and retirees of 51.

Total OPEB Liability

The District's total OPEB liability of \$3,834,605 was measured as of March 31, 2022 and was determined by an actuarial valuation as of July 1, 2021.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Actuarial Methods and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2% per year
Salary increases	3.44% per year
Discount rate	2.27% as of June 30, 2021 and 2.83% as of June 30, 2022 2022 – 6.10% reduced to an ultimate rate of 4.37% after 2070.
Healthcare cost trend rates	District pays 83% for single and 83% for family – based on years of service and credited months
Retirees' share of benefit-related costs	

The discount rate was based on a yield for 20 year tax-exempt general obligation municipal bonds.

Mortality rates were based on the Scale MP-2021, fully generational.

The actuarial assumptions used in the March 31, 2022 calculation represent a long-term expectation of future OPEB outcomes.

Changes in the Total OPEB Liability

Service cost	\$	202,415
Interest		93,368
Change of benefit terms		11,611
Differences between expected and actual experience		279,181
Changes in assumptions or other inputs		(662,685)
Benefit payments		(275,564)
Net changes		(351,674)
Net OPEB liability – beginning of year		3,190,659
Prior period adjustment		995,620
Net OPEB liability – end of year	\$	<u>3,834,605</u>

Changes in actuarial assumptions consisted of a change in discount rate from 2.27% to 2.83% as of June 30, 2022. The salary scale changed from 3.11% to 3.44% effected June 30, 2022.

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

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 (1.83%) or 1 percentage point higher (3.83%) than the current discount rate:

	1% Decrease (1.83%)	Current Assumption (2.83%)	1% Increase (3.83%)
Total OPEB liability	\$ 4,122,097	\$ 3,834,605	\$ 3,567,391

Total OPEB liability

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 trend rates:

	1% Decrease (5.10%- 3.37%)	Current Assumption (6.10%- 4.37%)	1% Increase (7.10%- 5.37%)
Total OPEB liability	\$ 3,464,448	\$ 3,834,605	\$ 4,266,849

Total OPEB liability

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 \$212,536. 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	\$ 217,141	\$ 47,227
Changes in assumptions or other inputs	39,520	515,422
Benefits subsequent to measurement date	68,891	-
Total	\$ 325,552	\$ 562,649

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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 ending:	
2023	\$ (92,930)
2024	(85,223)
2025	(85,223)
2026	(42,612)
2027	-
Thereafter	-

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. On July 30, 2020, the District issued a bond anticipation note of \$717,000 with an interest rate of .81% and maturity date of July 29, 2021. On July 29, 2021, the District issued a bond anticipation note of \$773,000 with an interest rate of .31% and maturity date of July 28, 2022.

b. Short-Term Debt Interest

Total interest incurred on short-term debt was \$5,792 during the fiscal year ended June 30, 2022.

2. Long-Term Debt

a. Debt Limit

At June 30, 2022, the total outstanding indebtedness represented approximately 22% of the District's debt limit.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness

2. Long-Term Debt

b. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements or for the purchase of vehicles. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets.

c. Long-Term Debt Interest

Interest expenditures for long-term debt are recognized on a cash basis, when amounts become due and payable. The District recognized \$620,810 of expenditures for long-term debt interest in the governmental fund financial statements during the fiscal year ended June 30, 2022.

d. Changes

The School District's indebtedness, as of June 30, 2022 and 2021 are summarized as follows:

	<u>Balance June 30, 2022</u>	<u>Balance June 30, 2021</u>
Serial bonds	\$ 12,330,000	\$ 13,330,000
Unamortized bond premiums	42,695	48,734
Energy performance contract	536,937	613,888
Compensated absences	205,862	199,656
Net pension liabilities	-	855,426
Other post-employment benefit	3,834,605	3,190,659
	<u>\$ 16,950,099</u>	<u>\$ 18,238,363</u>

The District made principal payments on serial bonds in the amount of \$1,000,000 during the current fiscal year, and had amortization of bond premiums of \$6,039. The District had principal payments in the amount of \$76,951 on the energy performance contract liability. The net change in compensated absences was an increase of \$6,206 during the fiscal year ended June 30, 2022. The net change in other post-employment benefit liability was an increase of \$643,946. The net pension liabilities (ERS and TRS) decreased in the current year as both liabilities changed to a net pension asset.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

e. Summary

1. The following is a summary of maturity of indebtedness:

<u>Description</u>	<u>Outstanding June 30, 2022</u>
Serial Bonds, issued in 2008 with maturity date of July 2024, bonds carry interest at 4.125%-4.625%	\$ 240,000
Serial Bonds, issued in 2018 with maturity date of June 2033, bonds carry interest at 5%	10,250,000
Serial Bonds, issued in 2021 with maturity date of June 2036, bonds carry interest at 2%	1,840,000
	<u>\$ 12,330,000</u>

f. Maturity

1. The following is the amortization schedule for the long-term liability for serial bonds.

<u>Year</u>	<u>Principal payments</u>	<u>Interest payments</u>
2023	\$ 1,040,000	\$ 558,472
2024	1,050,000	511,431
2025	1,095,000	462,766
2026	1,060,000	413,750
2027	1,105,000	364,350
2028-2032	5,970,000	1,002,100
2033-2036	1,010,000	50,800
Totals	<u>\$ 12,330,000</u>	<u>\$ 3,363,669</u>

3. Bond premiums and amortization

Premiums resulting from bond and other debt refinancing are being amortized over the life of the related debt.

4. Energy Performance Contract and Maturity

In 2013, the District issued a \$1,139,038 energy performance contract at an interest rate of 3.01% and final maturity date of September 15, 2028. Principal and interest are payable quarterly. Total interest incurred on the energy performance contract during the current year was \$17,615. The following is the amortization schedule:

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

4. Energy Performance Contract and Maturity (continued)

Year	Principal payments	Interest payments
2023	\$ 79,294	\$ 15,272
2024	81,707	12,859
2025	84,195	10,371
2026	86,758	7,808
2027	89,398	5,167
2028-2029	115,586	2,623
Totals	\$ 536,937	\$ 54,100

VI. Fund Equity

A. Classification

The District's fund equity is comprised of various components.

Category / Fund	Description	Balance June 30, 2022
Nonspendable:		
Food Service	Inventory	\$ 3,573
General Fund	Prepays	\$ 4,596
Restricted:		
General	Unemployment reserve	\$ 194,436
	Employee benefit reserve	117,285
	Insurance reserve	313,714
	Capital reserve	615,488
	TRS reserve	414,713
	ERS reserve	276,954
	Tax certiorari reserve	31,642
	Workers' compensation reserve	140,429
		\$ 2,104,661
Debt Service	Reserve for debt service	\$ 680,013
Restricted:		
Miscellaneous special revenue	Extraclassroom fund balance and other	\$ 60,771
Assigned:		
General	Appropriated Fund Balance	\$ 400,000
	Encumbrances	49,955
		\$ 449,955
Food Service	Fund Equity	\$ 98,429

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity (continued)

B. Assigned – Appropriated Fund Balance

General Fund - The amount of \$400,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2023 as allowed by Section 1318 of the Real Property Tax Law.

C. District-wide Net Position

Net position of the District include restricted net position of approximately \$2,785,000 which represent restricted amounts in the general and debt service funds as presented above.

D. Deficit Fund Balance

The District's capital project fund had an accumulated deficit in the amount of \$773,000 as of June 30, 2022. It is not uncommon for school districts to have deficit fund balances in the capital projects fund as a result of short-term debt being recorded as liabilities until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue.

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

The *Bemus Point Central School District* is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

For its employee health and accident coverage, *Bemus Point Central School District* is a participant in the Chautauqua County School Districts' Medical health Plan, a public entity risk pool operated for the benefit of various individual governmental units located within Chautauqua County. The School District pays monthly premiums to the Plan for this health coverage.

The Plan is authorized to assess supplemental premiums to the participating districts. The Chautauqua County School Districts' Medical Health Plan obtains independent coverage for insured events in excess of this amount.

2. Risk Sharing Pools

The *Bemus Point Central School District* also participates in a risk sharing pool, Erie 2 – Chautauqua-Cattaraugus BOCES, to insure Workers' Compensation claims. This is a public

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies (continued)

A. Risk Financing and Related Insurance (continued)

2. Risk Sharing Pools (continued)

entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. Administrators of the Plan have indicated that the Plan's reserves are believed to be in excess of estimated unbilled and open claims.

B. Compensated Absences

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$308,000 as of June 30, 2022 for accumulating non-vesting sick leave.

C. Federal and State Grants

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

D. Litigation

The District may be a party to various claims and legal proceedings covering a wide range of matters that arise in the course of the District's business. A claim has been brought by a former student against the District under the New York State Child Victims Act. Discovery of this matter is in the early stages and the scope of damages, if any, cannot presently be assessed. To date, there is no insurance coverage.

NOTE 4 – CAPITAL PROJECT

The voters of *Bemus Point Central School District* approved a resolution authorizing a capital project in the amount of \$2,385,000 to be financed with serial bonds, and District funds. Total expenditures incurred related to the project were \$610,495 during the year ended June 30, 2022. The project was completed in the current year and the District transferred \$69,699 of remaining funds to the debt service fund to pay for future debt service on the project.

The District also had expenditures in the current year in the amount of \$100,000 related to its capital outlay project and \$285,000 related to bus purchases

NOTE 5 – COVID 19 PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to Organizations including public school Districts. The New York State Department of Education has allocated approximately \$112,000 of CARES Act assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. During the year ended June 30, 2021 the District spent the entire portion of its CARES Act allocation.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$596,000 of CRRSA Act assistance to the District. As of June 30, 2022 the District has spent \$72,481 of the CRRSA allocation.

In March 2021, the American Rescue Plan (ARP) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$1,458,000 of ARP Act assistance to the District. As of June 30, 2022 the District has spent \$206,893 of the ARP allocation.

The District provided free breakfast and lunches to all students (except those who opted out) through the Seamless Summer program. Given the uncertainty regarding the COVID-19 Pandemic, the overall financial impact to the District cannot be reasonably predicted or estimated at this time.

NOTE 6 – RIGHT-TO-USE ASSETS/LEASES

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. The District paid cash for the equipment rather than through an installment purchase agreement. The District amortizes its right-to-use assets over a period of 5 years. Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2022:

**BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – RIGHT-TO-USE ASSETS/LEASES
(continued)

	Balance 7/1/21		Additions
	As restated		
Right-to-use asset	\$ 439,212	\$	196,895
Accumulated amortization	(161,369)		(92,032)
	<u>\$ 277,843</u>	<u>\$</u>	<u>104,863</u>

	Deletions		Balance 6/30/22
Right-to-use asset	\$ --	\$	636,107
Accumulated amortization	--		(253,401)
	<u>--</u>	<u>\$</u>	<u>382,706</u>

NOTE 7 – PRIOR PERIOD ADJUSTMENT

The District implemented GASB 87, Leases, during the year ended June 30, 2022, which resulted in a prior period adjustment related to agreements made for various IT and computer equipment that were already in place as of July 1, 2021, and which GASB 87 requires retroactive application of these agreements. The District's net position increased \$277,843 as a result of the prior period adjustment which represents the remaining book value of its right-to-use assets. Also, the District's net position decreased by \$995,620 for a prior period adjustment related to its other post-retirement benefit obligation as a result of a new actuarial update.

During 2021, implementation of GASB No. 84 required prior period adjustments for the governmental and fiduciary funds. This adjustment was needed to move the beginning balances of amounts previously reported as fiduciary funds to the respective governmental funds. Total extraclassroom funds and other miscellaneous amounts totaling \$67,553 were reclassified from fiduciary funds to governmental funds as of July 1, 2020.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 17, 2022, which is the date the financial statements were available to be issued.

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	\$ 9,069,864	\$ 9,069,864	\$ 9,076,941	\$ 7,077
Charges for services	83,500	83,500	119,378	35,878
Use of money and property	10,000	10,000	6,302	(3,698)
Sale of property and compensation for loss	10,000	10,000	5,750	(4,250)
Miscellaneous	62,500	62,500	90,712	28,212
State Sources:				
Basic formula	5,470,008	5,470,008	5,433,179	(36,829)
BOCES	371,054	371,054	370,590	(464)
Textbooks	-	-	25,734	25,734
All other aid	7,226	7,226	53,554	46,328
Federal Sources:				
Medicaid reimbursement	-	-	111,253	111,253
Other federal aid	30,000	30,000	30,902	902
Total revenue	15,114,152	15,114,152	15,324,295	210,143
Other Sources				
Operating transfer in	-	-	-	-
Total revenue and other sources	15,114,152	15,114,152	15,324,295	\$ 210,143
Appropriated fund equity, reserves, and carryover encumbrances	474,200	804,504		
Total revenue, other sources, reserves and appropriated fund equity	\$ 15,588,352	\$ 15,918,656		

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 9,500	\$ 9,971	\$ 8,961	\$ -	\$ 1,010
Central administration	204,450	204,731	204,729	-	2
Finance	204,150	212,319	212,170	-	149
Staff	53,000	108,140	100,478	7,661	1
Central services	1,358,800	1,460,008	1,382,827	3,968	73,213
Special items	189,000	186,663	185,995	-	668
Instructional:					
Instruction, administration and improvement	501,900	522,103	452,021	25,028	45,054
Teaching - regular school	4,034,300	4,090,791	3,940,156	5,522	145,113
Programs for children with handicapping conditions	1,705,500	1,559,479	1,516,342	-	43,137
Teaching - special schools	10,000	10,000	5,796	-	4,204
Occupational education	188,000	201,060	201,060	-	-
Instructional media	556,850	712,934	645,074	1,052	66,808
Pupil services	698,250	737,371	683,807	654	52,910
Pupil Transportation	660,500	698,170	659,412	6,070	32,688
Employee Benefits	3,155,100	3,148,250	3,062,239	-	86,011
Community Service	4,000	4,000	-	-	4,000
Debt Service:					
Debt service principal	1,300,951	1,305,951	1,305,951	-	-
Debt service interest	634,101	626,715	626,602	-	113
Total expenditures	15,468,352	15,798,656	15,193,620	49,955	555,081
Other Uses:					
Transfer to other funds	120,000	120,000	110,471	-	9,529
Total other uses	120,000	120,000	110,471	-	9,529
Total expenditures and other uses	\$ 15,588,352	\$ 15,918,656	15,304,091	\$ 49,955	\$ 564,610
Excess (deficiency) of revenue and other sources over expenditures and other uses			\$ 20,204		

BEMUS POINT CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule SS1A

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	School Food Service Fund		
	Budget ** (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ -	\$ 6,307	\$ 6,307
Federal sources	-	245,308	245,308
Sales	-	23,331	23,331
Surplus food	-	13,006	13,006
Use of money and property	-	73	73
Total revenue	-	288,025	288,025
Expenditures			
Cost of sales	-	265,824	(265,824)
Total expenditures	-	265,824	(265,824)
Excess of revenue over expenditures	<u>\$ -</u>	<u>22,201</u>	<u>\$ 22,201</u>
Fund equity, beginning of year		<u>79,801</u>	
Fund equity, end of year		<u>\$ 102,002</u>	

** - the District does not prepare a budget for the School Food Service Fund

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2022

Schedule SS2

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CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 15,588,352
Additions:	
Prior Year Encumbrances	<u>330,304</u>
Original budget	15,918,656
Budget revisions:	
Supplemental appropriation	<u>-</u>
Final budget	<u>\$ 15,918,656</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter-approved expenditure budget	\$ 16,084,938
Maximum allowed (4% of 2022-23 budget)	\$ 643,398
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:	
Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	449,955
Unassigned fund balance	<u>923,019</u>
Total unrestricted fund balance	<u>1,372,974</u>
Less:	
Appropriated fund balance	400,000
Encumbrances included in committed and assigned fund balance	<u>49,955</u>
Total adjustments	<u>449,955</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 923,019</u>
Actual percentage	<u>5.74%</u>

* Per Office of State Comptroller's "Fund Balance Reporting and Governmental Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of the General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

Schedule SS3

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Project Title	Original Appropriation	Revised Appropriation	Expenditures				Unexpended (Overexpended) Balance	Methods of financing				Fund Balance June 30, 2022	
			Prior Years	Current Year	Interfund Transfer	Total		Proceeds of Obligations	State Sources	Local Sources	Total		
Bus purchases	\$ 1,675,000	\$ 1,675,000	\$ 1,380,278	\$ 285,000	\$ -	\$ 1,665,278	\$ 9,722	\$ 1,675,000	\$ -	\$ (9,722)	\$ 1,665,278	\$ -	
Capital Outlay 2021	100,000	100,000	100,000	-	-	100,000	-	-	-	100,000	100,000	-	
Capital Outlay 2022	100,000	100,000	-	100,000	-	100,000	-	-	-	100,000	100,000	-	
Smart Schools Bond Act Project	264,000	264,000	218,533	-	-	218,533	45,467	-	218,533	-	218,533	-	
Elementary Capital Project	2,385,000	2,385,000	1,704,806	610,495	69,699	2,385,000	-	2,085,000	-	300,000	2,385,000	-	
Total	\$ 4,524,000	\$ 4,524,000	\$ 3,403,617	\$ 995,495	\$ 69,699	\$ 4,468,811	\$ 55,189	\$ 3,760,000	\$ 218,533	\$ 490,278	\$ 4,468,811	-	
												Less: Bond anticipation notes outstanding	(773,000)
												Total fund equity (deficit) as of June 30, 2022	<u>\$ (773,000)</u>

BEMUS POINT CENTRAL SCHOOL DISTRICT
BUDGET COMPARISON STATEMENT FOR STATE AND
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule SS4A

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Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school *	N/A	2022	\$ 51,545	\$ 51,545	\$ 51,545
Universal Pre-kindergarten	0409-22-7046	2022	67,500	67,500	67,500
State food service program	N/A	2022	6,307	6,307	6,307
			<u>\$ 125,352</u>	<u>\$ 125,352</u>	<u>\$ 125,352</u>

* Revenue includes interfund transfer of \$10,471 from the general fund which represents local share of expenditures.

BEMUS POINT CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule SS4B

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Bemus Point Central School District** and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the 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). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Basis of Accounting

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for the applicable program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Note 2 - Non-monetary Federal Program

The accompanying **Bemus Point Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2022, the District reported in the Schedule of Federal Awards \$13,006 of donated commodities at fair market value received and disbursed.

Note 3 - Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year.

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule SS4C

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Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Grant Period	Program or Award Amount	Revenue	Expenditures
US Department of Homeland Security:						
<i>Direct program:</i>						
Covid-19 FEMA assistance	97.036	N/A	2022	\$ 30,902	\$ 30,902	\$ 30,902
US Department of Education:						
<i>Direct program:</i>						
Small, Rural School Achievement Program	84.358A	N/A	2022	1,763	1,763	1,763
Passed through NYS						
Department of Education:						
Title I	84.010A	0021-21-0355	2021	30,296	30,296	30,296
Title I	84.010A	0021-22-0355	2022	98,577	89,812	89,812
IDEA, Part B Section 611 **	84.027A	0032-22-0104	2022	140,420	140,420	140,420
IDEA, Part B Section 619 **	84.173A	0033-22-0104	2022	1,346	1,346	1,346
Title II, Part A	84.367A	0147-22-0355	2022	24,908	17,470	17,470
Title IV	84.424	0204-22-0355	2022	18,564	2,276	2,276
Covid-19 ARP - SLR Summer	84.425U	5882-22-0355	2022	100,002	4,981	4,981
Covid-19 ARP - SLR Comprehensive	84.425U	5883-22-0355	2022	100,002	8,392	8,392
Covid-19 ARP - SLR Learning	84.425U	5884-22-0355	2022	499,996	108,759	108,759
Covid-19 CRRSA - ESSER 2	84.425D	5891-22-0355	2022	555,477	32,277	32,277
Covid-19 CRRSA - GEER 2	84.425C	5890-22-0325	2022	40,204	40,204	40,204
Covid-19 ARP - ESSER 3	84.425U	5880-22-0355	2022	757,818	84,761	84,761
Total US Department of Education				2,369,373	562,757	562,757
US Department of Agriculture:						
Passed through NYS						
Department of Education;						
Covid-19 Seamless Summer Option (Lunch) ***	10.555	N/A	2022	179,859	179,859	179,859
Covid-19 Supply Chain Grant ***	10.555	N/A	2022	17,009	17,009	17,009
Covid-19 Seamless Summer Option (Breakfast) ***	10.553	N/A	2022	48,440	48,440	48,440
Passed through NYS						
Office of General Services;						
National School Lunch Program						
Noncash assistance (Donated Commodities) ***	10.555	N/A	2022	13,006	13,006	13,006
Total US Department of Agriculture				258,314	258,314	258,314
Total expenditures and revenue					\$ 851,973	\$ 851,973

** Constitutes a cluster of Federal programs named Special Education Cluster with total revenue and expenditures of \$ 141,766
*** Constitutes a cluster of Federal programs named Child Nutrition Cluster with total revenue and expenditures of \$ 258,314

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
AND RIGHT-TO-USE ASSETS
AS OF JUNE 30, 2022

Schedule SS5

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Capital Assets and right-to-use assets, net	\$	25,731,925
Less:		
Serial Bonds		(12,372,695)
Energy Performance Contract		(536,937)
Bond anticipation notes		<u>(773,000)</u>
Net investment in capital assets and right-to-use assets	\$	<u><u>12,049,293</u></u>

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET
OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2022

Schedule SS6

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As of the measurement date of March 31,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 202,415	\$ 170,000	\$ 170,012	\$ 119,873	\$ 119,873
Interest	93,368	108,000	108,324	91,512	91,512
Change of benefit terms	11,611	-	-	-	-
Differences between expected and actual experience	279,181	-	(224,335)	-	228,922
Changes in assumptions or other inputs	(662,685)	-	620,027	-	9,600
Benefit payments	(275,564)	(308,000)	(304,731)	(98,262)	(320,397)
Net change in total OPEB liability	(351,674)	(30,000)	369,297	113,123	129,510
Total OPEB liability - beginning	3,190,659	3,220,659	2,851,362	2,738,239	2,608,729
Prior period adjustment	995,620	-	-	-	-
Total OPEB liability - ending	<u>\$ 3,834,605</u>	<u>\$ 3,190,659</u>	<u>\$ 3,220,659</u>	<u>\$ 2,851,362</u>	<u>\$ 2,738,239</u>
Plan fiduciary net position					
Contributions - employer	\$ 275,564	\$ 308,000	\$ 304,731	\$ 98,262	\$ 320,397
Net investment income	-	-	-	-	-
Benefit payments	(275,564)	(308,000)	(304,731)	(98,262)	(320,397)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability	<u>\$ 3,834,605</u>	<u>\$ 3,190,659</u>	<u>\$ 3,220,659</u>	<u>\$ 2,851,362</u>	<u>\$ 2,738,239</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 6,399,094	\$ 6,658,452	\$ 6,658,452	\$ 7,003,473	\$ 6,251,749
District's net OPEB liability as a percentage of covered-employee payroll	59.92%	47.92%	48.37%	40.71%	43.80%

Notes to Schedule:

Benefit Changes: None

Changes in assumptions:

- Discount rate from 2.27% to 2.83%
- Updated mortality tables and healthcare cost trend rates
- Salary scale changed from 3.11% to 3.44% effective June 30, 2022

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB
FOR THE YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2022

Schedule SS7

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For the year ended June 30,	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 275,564	\$ 308,000	\$ 304,731	\$ 98,262	\$ 320,397
Contributions in relation to the actuarially determined contribution	(275,564)	(308,000)	(304,731)	(98,262)	(320,397)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,399,094	\$ 6,658,452	\$ 6,658,452	\$ 7,003,473	\$ 6,251,749
Contributions as a percentage of District's covered-employee payroll	4.31%	4.63%	4.58%	1.40%	5.12%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2021 and measured as of June 30, 2022. An updated valuation was not performed for the year-ended June 30, 2021 and amounts were rolled forward based on the prior year report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	Discount rate of - 2.83% as of June 30, 2022
Inflation	2.22% per year
Healthcare cost trend rates	2022 - 6.1%. Rates expected to decrease each year thereafter with an ultimate rate of 4.37% after 2070.
Salary increases	3.44% per year
Mortality	Scale MP-2021, fully generational
Retiree Cost Sharing	Varies based on negotiated contracts
Participants	130 Active and 51 Retirees

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2022

Schedule SS8

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New York State Teachers' Retirement System

For the year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 511,985	\$ 482,952	\$ 462,684	\$ 542,486	\$ 482,332	\$ 575,518	\$ 636,024	\$ 820,362
Contributions in relation to the contractually required contribution	(511,985)	(482,952)	(462,684)	(542,486)	(482,332)	(575,518)	(636,024)	(820,362)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,224,337	\$ 5,067,702	\$ 5,222,167	\$ 5,108,154	\$ 4,921,755	\$ 4,910,563	\$ 4,796,561	\$ 4,679,760
Contributions as a percentage of District's covered-employee payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

New York State Local Employees' Retirement System

For the year ended March 31,	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 250,422	\$ 237,368	\$ 234,407	\$ 229,595	\$ 229,253	\$ 231,314	\$ 249,226	\$ 275,590
Contributions in relation to the contractually required contribution	(250,422)	(237,368)	(234,407)	(229,595)	(229,253)	(231,314)	(249,226)	(275,590)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,703,340	\$ 1,750,937	\$ 1,773,238	\$ 1,676,852	\$ 1,632,007	\$ 1,523,201	\$ 1,517,298	\$ 1,522,071
Contributions as a percentage of District's covered-employee payroll	14.70%	13.56%	13.22%	13.69%	14.05%	15.19%	16.43%	18.11%

See accompanying independent auditor's report.

BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY) – NYSTRS AND PROPORTIONATE SHARE OF
NET PENSION LIABILITY - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2022

New York State Teachers' Retirement System - Net Pension Asset (Liability)

As of the measurement date of June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	n/a	0.029857%	0.030767%	0.030603%	0.030215%	0.030988%	0.031084%	0.031154%	0.032011%
District's proportionate share of the net pension asset (liability)	n/a	\$ 5,173,946	\$ (850,180)	\$ 795,071	\$ 549,374	\$ 235,539	\$ (332,922)	\$ 3,235,911	\$ 3,565,829
District's covered-employee payroll	n/a	\$ 5,067,702	\$ 5,222,167	\$ 5,108,154	\$ 4,921,755	\$ 4,910,563	\$ 4,796,561	\$ 4,679,760	\$ 4,843,999
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	102.10%	-16.28%	15.56%	11.16%	4.80%	-6.94%	69.15%	73.61%
Plan fiduciary net position as a percentage of the total pension liability	n/a	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

New York State Local Employees' Retirement System - Net Pension Asset (Liability)

As of the measurement date of March 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	0.0056227%	0.0052684%	0.0053146%	0.0056285%	0.0049842%	0.0053179%	0.0053735%	0.0054788%	n/a
District's proportionate share of the net pension asset (liability)	\$ 459,633	\$ (5,246)	\$ (1,407,336)	\$ (398,795)	\$ (160,861)	\$ (499,681)	\$ (862,466)	\$ (185,086)	n/a
District's covered-employee payroll	\$ 1,703,340	\$ 1,750,937	\$ 1,773,238	\$ 1,676,852	\$ 1,632,007	\$ 1,523,201	\$ 1,517,298	\$ 1,522,071	n/a
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	26.98%	-0.30%	-79.37%	-23.78%	-9.86%	-32.80%	-56.84%	-12.16%	n/a
Plan fiduciary net position as a percentage of the total pension asset (liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

**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 President and
Members of the Board of Education
Bemus Point Central School District
Bemus Point, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Bemus Point Central School District* as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise *Bemus Point Central School District's* basic financial statements and have issued our report thereon dated October 17, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, we identified one deficiency in internal control over financial reporting that we consider to be a significant deficiency described in the accompanying schedule of findings and questioned costs as item II.A.2022-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Bemus Point Central School District's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item II.B.2022-02.

Bemus Point Central School District's Responses to Findings

Bemus Point Central School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. *Bemus Point Central School District's* responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
Olean, New York
October 17, 2022



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

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

**To the President and Members of
The Board of Education
Bemus Point Central School District
Bemus Point, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited *Bemus Point Central School District's* compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. *Bemus Point Central 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.

In our opinion, *Bemus Point Central 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 major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of *Bemus Point Central School District* and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of *Bemus Point Central School District's* compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Auditor's Responsibilities for the Audit of Compliance (continued)

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that may be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Purpose of this Report

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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
October 17, 2022**

**BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued or whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> x</u> no
Significant deficiency(ies) identified?	<u> x</u> yes	<u> </u> none reported
Noncompliance material to financial statements noted?	<u> x</u> yes	<u> </u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> x</u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> x</u> none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)

<u> </u> yes	<u> x</u> no
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Federal Program Title	Federal CFDA Number	Amount
Total expenditures of Federal Awards		<u>\$ 851,973</u>

Identification of Major Programs Tested:

Covid-19 ARP - SLR Summer	84.425U	4,981
Covid-19 ARP - SLR Comprehensive	84.425U	8,392
Covid-19 ARP - SLR Learning	84.425U	108,759
Covid-19 CRRSA - ESSER 2	84.425D	32,277
Covid-19 CRRSA - GEER 2	84.425C	40,204
Covid-19 ARP - ESSER 3	84.425U	84,761
Covid-19 Seamless Summer Option (Lunch) ***	10.555	179,859
Covid-19 Supply Chain Grant ***	10.555	17,009
Covid-19 Seamless Summer Option (Breakfast) ***	10.553	48,440
National School Lunch Program (donated commodities) ***	10.555	<u>13,006</u>

Total major programs tested	<u>\$ 537,688</u>
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% of Federal programs tested	<u>63%</u>
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*** Constitutes a cluster of Federal programs

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
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Auditee qualified as low risk?	<u> </u> yes	<u> x</u> no
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**BEMUS POINT CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

**2022-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements
Year ended June 30, 2022**

Condition and Criteria: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to recording accrued expenses and converting to the full accrual method for government-wide financial statement purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

Cause and Effect: AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency. Without this assistance, the potential risk exists of the District's financial statements not conforming to GAAP.

Auditor's Recommendation: Although auditors may continue to provide such assistance both now and in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

District's Response: The District has received, reviewed and approved all journal entries, footnote disclosures and draft financial statements proposed for the current year audit and will continue to review similar information in future years. Further the District believes it has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements.

B. COMPLIANCE AND OTHER MATTERS

**2022-002 Unassigned Fund Balance
Year ended June 30, 2022**

Conditions and criteria: *Bemus Point Central School District's* unassigned fund balance as of June 30, 2022 amounted to \$923,019 . This amount constitutes approximately 5.74% of the 2022-2023 school budget.

Cause and Effect: The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Auditor's Recommendation: *Bemus Point Central School District* should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

District's Response: *Bemus Point Central School District* realizes that it's unassigned fund balance as of June 30, 2022 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

III. MAJOR FEDERAL AWARD PROGRAMS AUDIT – FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year ended June 30, 2022

There were no findings related to compliance during the year ended June 30, 2022.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2022

There were no findings related to internal control over compliance during the year ended June 30, 2022.

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2021-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2021

Summary of Prior Year Finding: Adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2022 as finding 2022-001.

B. COMPLIANCE AND OTHER MATTERS

2021-002 Fund Balance

Year Ended June 30, 2021

Summary of Prior Year Finding: The District's unassigned fund balance as of June 30, 2021 amounted to \$927,661. This amount constitutes approximately 5.95% of the 2021-2022 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2022 as finding 2022-002.

II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

Total Federal expenditures did not exceed \$750,000 and therefore the District was not subjected to a single audit in accordance with the Uniform Guidance during the year ended June 30, 2021.