

# LANSING CENTRAL SCHOOL DISTRICT

Lansing, New York

## FINANCIAL REPORT

For the Year Ended  
June 30, 2022



# ***LANSING CENTRAL SCHOOL DISTRICT***

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Lansing Central School District  
Lansing, New York

### Report on the Audit of the Financial Statements

#### Opinions

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

In our opinion, the accompanying 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 School District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

### **Emphasis of a Matter**

During the year ended June 30, 2022, the School District adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." As discussed in Note 18 to the financial statements, asset and liability balances as of June 30, 2021 for the governmental activities were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

### **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 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.

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

In performing an audit in accordance with GAAS 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 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 the 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; budgetary comparison schedules; the Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; and related notes 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 GAAS, 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 School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Balance Sheet - Non-Major Governmental Funds; Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information); and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the supplementary information 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 26, 2022 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 26, 2022

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

The following is a discussion and analysis of the Lansing Central School District's (the School District) financial performance for the fiscal year ended June 30, 2022. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-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. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- Total expenses exceeded revenues by \$73,979 in 2022, compared to total expenses exceeded revenues by \$2,334,667 in 2021.
- Liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at June 30, 2022 by \$48,280,757 (net deficit), largely due to the net other postemployment benefit obligations of \$81,465,232.
- General Fund budgeted expenditures were underspent by \$312,043 while actual revenues were in excess of budgeted amounts by \$305,735.
- Total fund balance in the General Fund, including reserves, was \$4,717,222 at June 30, 2022, which increased \$326,604 from \$4,390,618, based on an excess of revenues over expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds with all other Non-Major Funds listed in total in one column.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year, a Schedule of Changes in the School District's total other postemployment benefits (OPEB) Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits, and Schedules of School District Contributions and Proportionate Share of Net Pension Asset/Liability.



# ***LANSING CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

### **District-Wide Financial Statements**

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-Wide financial statements report the School District's net position and how it has changed. Net position (the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

### **Governmental Fund Financial Statements**

The Governmental Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The School District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Fund financial statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities Funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

*Figure 1*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>Current Assets</i>	\$ 4,963,683	\$ 6,001,042	\$ (1,037,359)
<i>Noncurrent Assets</i>	15,715,731	3,468,368	12,247,363
<i>Capital Assets, Net</i>	42,054,111	42,342,333	(288,222)
<b><i>Total Assets</i></b>	<b>62,733,525</b>	<b>51,811,743</b>	<b>10,921,782</b>
<b><i>Total Deferred Outflows of Resources</i></b>	<b>22,461,937</b>	<b>24,483,740</b>	<b>(2,021,803)</b>
<i>Current Liabilities</i>	4,449,825	8,998,786	(4,548,961)
<i>Noncurrent Liabilities</i>	108,207,977	102,740,287	5,467,690
<b><i>Total Liabilities</i></b>	<b>112,657,802</b>	<b>111,739,073</b>	<b>918,729</b>
<b><i>Total Deferred Inflows of Resources</i></b>	<b>20,818,417</b>	<b>12,763,188</b>	<b>8,055,229</b>
<i>Net Investment in Capital Assets</i>	21,588,627	20,769,935	818,692
<i>Restricted</i>	4,569,615	3,527,324	1,042,291
<i>Unrestricted</i>	(74,438,999)	(72,504,037)	(1,934,962)
<b><i>Total Net (Deficit)</i></b>	<b>\$ (48,280,757)</b>	<b>\$ (48,206,778)</b>	<b>\$ (73,979)</b>

Total assets increased 22.08%. The increase is primarily the result of the pensions plans having a significant asset balance in the current year compared to the prior year liability.

Changes in deferred inflows of resources, and deferred outflows of resources, are related to changes in the actuarially determined proportionate share of the School District's net pension (asset)/liability and net OPEB liability.

The change in current and noncurrent liabilities is primarily due to current year conversion of the School District Bond Anticipation Note to permanent project financing and the current year pension asset compared to a liability in the prior year.

Net investment in capital assets increased as a result of capital outlay and payments on existing debt in excess of depreciation expense. Restricted net position increased with additional current year funding of the General Fund reserves. Total net deficit increased 0.15% caused by the excess of expenses over revenues, which is discussed further in Figure 2.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

Our analysis in *Figure 2* considers the operations of the School District's activities.

*Figure 2*

<i>Condensed Statement of Activities</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<b>REVENUES</b>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 290,754	\$ 250,459	\$ 40,295
<i>Operating Grants</i>	2,498,058	1,345,336	1,152,722
<i>Capital Grants</i>	189,277	132,858	56,419
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	20,205,506	19,184,766	1,020,740
<i>Real Property Tax Items</i>	1,386,941	1,485,186	(98,245)
<i>Unrestricted State Sources</i>	9,383,476	9,328,502	54,974
<i>Use of Money and Property</i>	24,817	27,706	(2,889)
<i>Other General Revenues</i>	1,184,375	985,007	199,368
<b>Total Revenues</b>	<b>\$ 35,163,204</b>	<b>\$ 32,739,820</b>	<b>\$ 2,423,384</b>
<b>PROGRAM EXPENSES</b>			
<i>General Support</i>	\$ 5,189,525	\$ 4,986,940	\$ 202,585
<i>Instruction</i>	26,769,808	26,833,713	(63,905)
<i>Pupil Transportation</i>	1,948,747	1,894,594	54,153
<i>Community Services</i>	116,495	135,236	(18,741)
<i>School Lunch Program</i>	570,182	540,859	29,323
<i>Interest on Debt</i>	642,426	683,145	(40,719)
<b>Total Expenses</b>	<b>\$ 35,237,183</b>	<b>\$ 35,074,487</b>	<b>\$ 162,696</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (73,979)</b>	<b>\$ (2,334,667)</b>	<b>\$ 2,260,688</b>

Total revenues for the School District's Governmental Activities increased 7.40%, while total expenses increased 0.46%. The increase in total revenue is due to increases to real property tax revenue, operating grants for federal programs, and state sources.

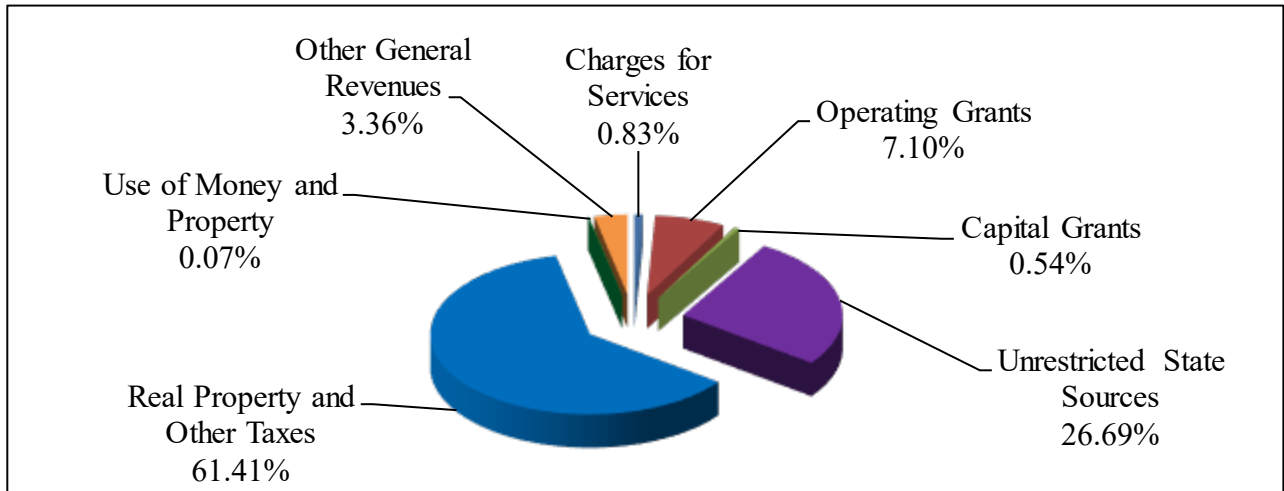
Expense for the current year were relatively consistent with the prior year.

# LANSING CENTRAL SCHOOL DISTRICT

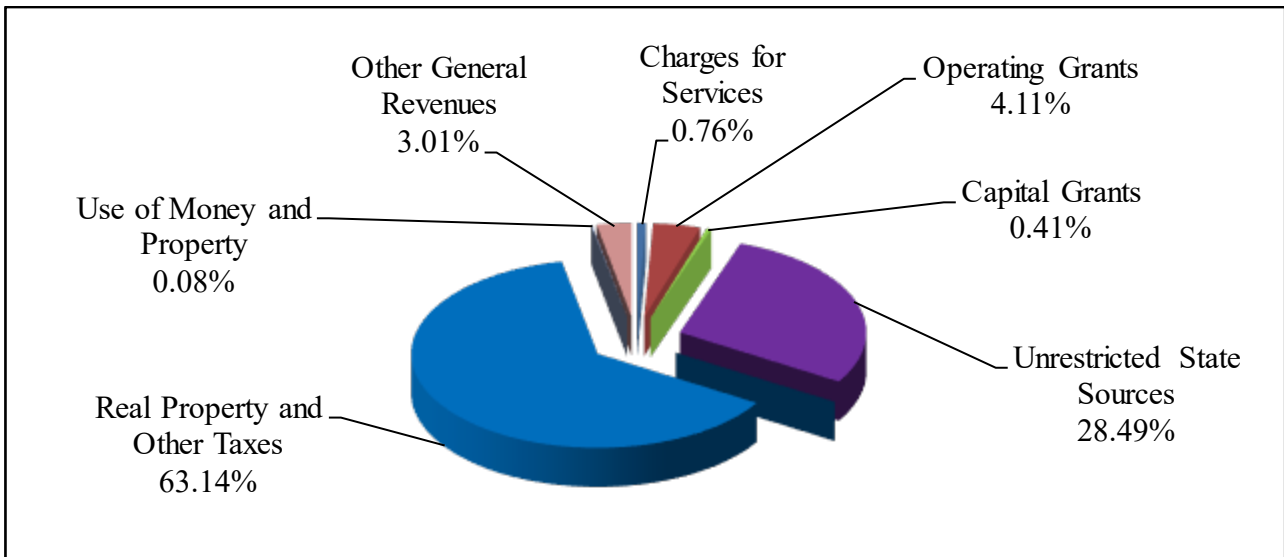
## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figures 3 and 4 show the sources of revenue for 2022 and 2021.

**Figure 3**  
**Sources of Revenue for 2022**



**Figure 4**  
**Sources of Revenue for 2021**

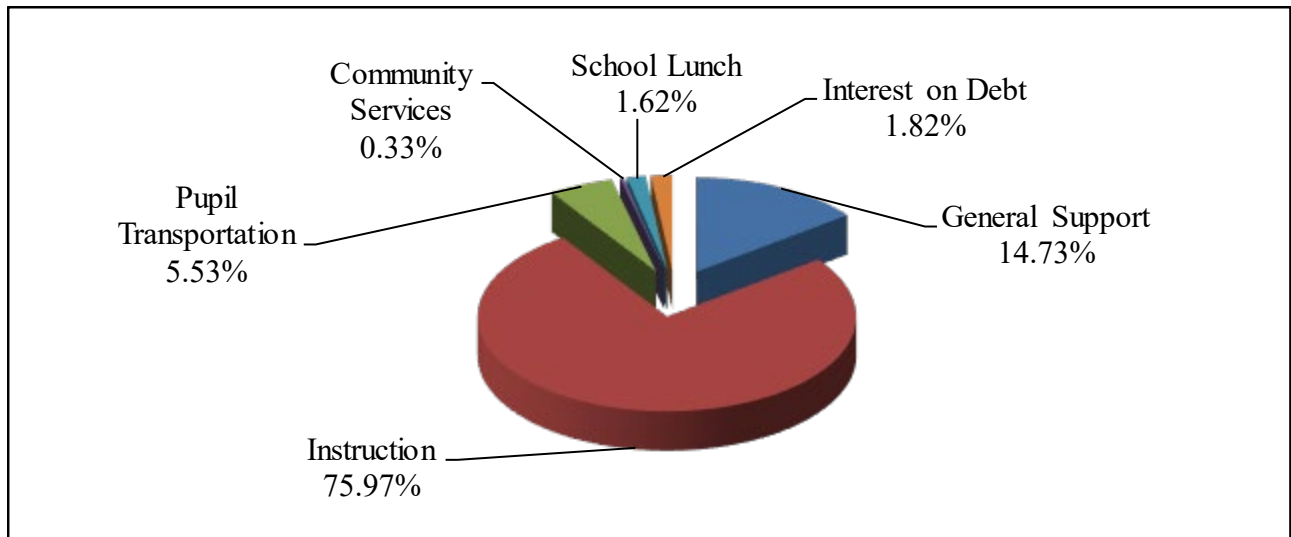


# LANSING CENTRAL SCHOOL DISTRICT

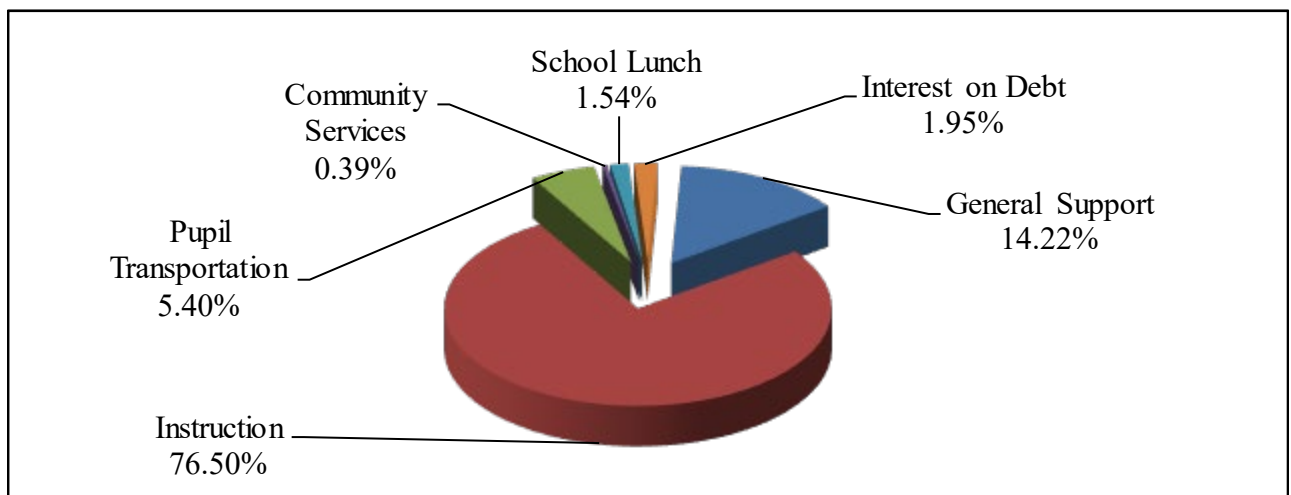
## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figures 5 and 6 present the cost of each of the School District's programs for 2022 and 2021.

**Figure 5**  
**Cost of Programs for 2022**



**Figure 6**  
**Cost of Programs for 2021**



# **LANSING CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

Figure 7 shows the changes in fund balance for the year for the School District's Major Funds. As the School District completed the year, its Governmental Funds, as presented in the Balance Sheet, reported an increase in combined fund balance of \$4,853,258; due to an excess of revenue over expenditures in the General and Capital Funds during the current year. The Capital Fund increase is largely due to the proceeds of serial bonds in the amount of \$4,800,000.

*Figure 7*

<i>Governmental Fund Balances</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 4,717,222	\$ 4,390,618	\$ 326,604
<i>Debt Service Fund</i>	1,626,392	1,354,698	271,694
<i>Capital Projects Fund</i>	697,651	(3,437,831)	4,135,482
<i>Non-Major Funds:</i>			
<i>Special Aid Fund</i>	(56,224)	(51,875)	(4,349)
<i>School Lunch Fund</i>	190,821	74,621	116,200
<i>Miscellaneous Special Revenue Fund</i>	185,052	177,425	7,627
<b><i>Total Governmental Funds</i></b>	<b>\$ 7,360,914</b>	<b>\$ 2,507,656</b>	<b>\$ 4,853,258</b>

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Board approves budgetary transfers of \$1,000 or more to revise School District budget line items. Generally, these budget amendments consist of budget transfers between functions, which do not increase the overall budget. The budget for the year ended June 30, 2022 was increased to include the adjusted prior year encumbrance amounts. Actual charges to appropriations were less than the final budget amounts by \$312,043.

# LANSING CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figure 8 summarizes the original and final budgets, actual expenditures (including encumbrances), and variances for the year ending June 30, 2022.

*Figure 8*

<i>Condensed Budgetary Comparison General Fund - 2022</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
<i>REVENUES</i>				
<i>Real Property Taxes</i>	\$ 21,247,375	\$ 21,247,375	\$ 20,205,506	\$ (1,041,869)
<i>Other Tax Items</i>	329,022	329,022	1,386,941	1,057,919
<i>State Sources</i>	9,926,984	9,926,984	9,499,786	(427,198)
<i>Other, Including Financing Sources</i>	730,500	730,500	1,447,383	716,883
<b><i>Total Revenues and Other Financing Sources</i></b>	<b>\$ 32,233,881</b>	<b>\$ 32,233,881</b>	<b>\$ 32,539,616</b>	<b>\$ 305,735</b>
<b><i>Appropriated Fund Balances and Encumbrances</i></b>	<b>\$ 521,673</b>	<b>\$ 467,730</b>		
<i>EXPENDITURES</i>				
<i>General Support</i>	\$ 3,619,527	\$ 3,424,292	\$ 3,378,078	\$ 46,214
<i>Instruction</i>	16,276,113	16,080,137	15,936,143	143,994
<i>Pupil Transportation</i>	1,206,121	1,124,680	1,075,070	49,610
<i>Employee Benefits</i>	8,766,651	9,112,363	9,047,235	65,128
<i>Debt Service</i>	2,765,142	2,838,139	2,836,348	1,791
<i>Other Financing Uses</i>	122,000	122,000	116,694	5,306
<b><i>Total Expenditures and Other Financing Uses</i></b>	<b>\$ 32,755,554</b>	<b>\$ 32,701,611</b>	<b>\$ 32,389,568</b>	<b>\$ 312,043</b>

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of June 30, 2022, the School District had invested in a broad range of capital assets. This amount represents a net decrease (including additions, deductions, and depreciation and amortization expense) of \$288,222 from last year.

*Figure 9*

<i>Changes in Capital Assets</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Land</i>	\$ 111,727	\$ 111,727	\$ -
<i>Construction in Progress</i>	11,789,837	10,987,802	802,035
<i>Buildings, Net</i>	27,038,555	28,337,380	(1,298,825)
<i>Equipment, Net</i>	2,668,191	2,474,251	193,940
<i>Intangible Lease Assets, Net</i>	445,801	431,173	14,628
<b><i>Total</i></b>	<b>\$42,054,111</b>	<b>\$ 42,342,333</b>	<b>\$ (288,222)</b>

# **LANSING CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

Capital asset activity for the year ended June 30, 2022 included the following:

Construction in Progress	\$ 845,576
Equipment	588,500
Intangible Lease Asset Additions	246,255
Total Additions	1,680,331
Less Net Book Value of Disposed Equipment	(22,438)
Less Depreciation Expense	(1,714,488)
Less Amortization Expense	(231,627)
<b>Net Decrease in Capital Assets</b>	<b>\$ (288,222)</b>

### **Debt Administration**

Debt decreased in the current year due to the issuance of a bond anticipation note, as shown in *Figure 10*. Total indebtedness represented 17.8% of the statutory debt limit, exclusive of building aid estimates.

*Figure 10*

<b><i>Outstanding Debt</i></b>	<b><i>Governmental Activities and Total School District</i></b>		<b><i>Total Dollar Change</i></b>
	<b><i>2022</i></b>	<b><i>2021</i></b>	
<i>Bond Anticipation Notes</i>	\$ -	\$ 4,817,400	\$ (4,817,400)
<i>General Obligation Bonds</i>	<b>18,393,069</b>	14,618,825	3,774,244
<i>Installment Purchase Debt Payable</i>	<b>1,370,000</b>	1,705,000	(335,000)
<i>Lease Liabilities</i>	<b>445,801</b>	431,173	14,628
<b><i>Total</i></b>	<b>\$ 20,208,870</b>	<b>\$ 21,572,398</b>	<b>\$ (1,363,528)</b>

The School District's bond rating is Moody AAA, which did not change from the prior year.

More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.



# ***LANSING CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022**

### **FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

- The School District's largest taxpayer, the Cayuga Operating Plant, was denied public funding for a repower from coal to natural gas two years ago. The plant is no longer in a Payment in Lieu of Taxes (PILOT) agreement and is back on the tax rolls. School District management completed a grant application for state funding for full plant closure and has received the first two payments. The company is looking to move forward with a solar project to be housed on the property separate from the coal plant. Additionally, they are working with New York Power Authority (NYPA) and NYS on a data center to be located at the site.
- Development continues to be strong within the community - business developments, housing developments, and improvements on existing properties. This has allowed the tax base to remain strong and to keep tax rates stable as our school budget increases.
- The School District continues to plan regular capital projects based on infrastructure needs as defined in the 2015 Building Condition Survey. Because of its proactive and long-term planning on these projects, the School District is pleased to be able to address programmatic needs as well in the most recent (2020) and future projects. The School District voters approved a 2020 capital project in October of 2018 that is addressing the School District's future needs. This is scheduled to be completed in December of 2022. A future project based on aging infrastructure and student needs will be voted on November 1, 2022 with work scheduled to begin in the Spring of 2024
- In the past, our School District's enrollment had been slowly increasing despite decreasing enrollment in area schools. COVID-19 has had an impact on recent enrollment numbers. Kindergarten enrollment has been lower than the recent trends. School District management continues to believe its focus on great programs for children helps to make it an attractive option for families who are shopping for homes in the region. Local business and economic development remain strong.

### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Lansing Central School District, at 284 Ridge Road, Lansing, New York.

# LANSING CENTRAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2022

### ASSETS

#### Current Assets

Cash - Unrestricted	\$ 1,560,308
Cash - Restricted	116,076
Receivables:	
State and Federal Aid	2,193,825
Due from Other Governments	594,664
Other	475,237
Inventories	23,573
<b>Total Current Assets</b>	<b>4,963,683</b>

#### Noncurrent Assets

Cash - Restricted	4,402,367
Capital Assets, Net:	
Nondepreciable Capital Assets	11,901,564
Depreciable Capital Assets, Net of Accumulated Depreciation	29,706,746
Intangible Lease Assets, Net	445,801
Net Pension Asset - Proportionate Share	11,313,364
<b>Total Noncurrent Assets</b>	<b>57,769,842</b>
<b>Total Assets</b>	<b>62,733,525</b>

### DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefits	14,884,533
Pensions	7,577,404
<b>Total Deferred Outflows of Resources</b>	<b>22,461,937</b>

### LIABILITIES

#### Current Liabilities

Payables:	
Accounts Payable	184,618
Accrued Liabilities	243,751
Due to Other Governments	254
Bond Interest and Matured Bonds	90,641
Retainage	231,930
Other Liabilities	27,842
Due to Teachers' Retirement System	1,212,377
Due to Employees' Retirement System	79,623
Compensated Absences Payable	103,807
Unearned Revenues - Other	152,864
Current Portion of Long-Term Obligations:	
Bonds Payable	1,595,262
Lease Liabilities	176,856
Installment Purchase Debt	350,000
<b>Total Current Liabilities</b>	<b>4,449,825</b>

*See Notes to Basic Financial Statements*

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF NET POSITION (Continued) JUNE 30, 2022**

### **LIABILITIES (Continued)**

#### **Noncurrent Liabilities**

Bonds Payable	\$ 16,797,807
Installment Purchase Debt Payable	<u>1,020,000</u>
Lease Liability	<u>268,945</u>
Other Postemployment Benefits Liability	<u>90,121,225</u>
<b>Total Noncurrent Liabilities</b>	<b><u>108,207,977</u></b>

<b>Total Liabilities</b>	<b><u>112,657,802</u></b>
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#### **DEFERRED INFLOWS OF RESOURCES**

Other Postemployment Benefits	<u>6,228,540</u>
Pensions	<u>14,589,877</u>

<b>Total Deferred Inflows of Resources</b>	<b><u>20,818,417</u></b>
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#### **NET POSITION**

Net Investment in Capital Assets	<u>21,588,627</u>
Restricted	<u>4,569,615</u>
Unrestricted (Deficit)	<u>(74,438,999)</u>

<b>Total Net Position (Deficit)</b>	<b><u><u>\$ (48,280,757)</u></u></b>
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*See Notes to Basic Financial Statements*

# **LANSING CENTRAL SCHOOL DISTRICT**

## **STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants</b>	<b>Capital Grants</b>
General Support	\$ 5,189,525	\$ -	\$ -	\$ (5,189,525)
Instruction	26,769,808	241,771	1,842,985	(24,495,775)
Pupil Transportation	1,948,747	-	-	(1,948,747)
Community Services	116,495	-	23,647	(92,848)
School Lunch Program	570,182	48,983	631,426	110,227
Interest on Debt	642,426	-	-	(642,426)
<b>Total Functions and Programs</b>	<b>\$35,237,183</b>	<b>\$ 290,754</b>	<b>\$2,498,058</b>	<b>\$189,277</b>

### **GENERAL REVENUES**

Real Property Taxes	20,205,506
Real Property Tax Items	1,386,941
Use of Money and Property	24,817
Unrestricted State Sources	9,383,476
Sale of Property and Compensation for Loss	(9,940)
Miscellaneous	1,194,315
<b>Total General Revenues</b>	<b>32,185,115</b>
Change in Net Position	(73,979)
Total Net (Deficit) - Beginning of Year	(48,206,778)
<b>Total Net (Deficit) - End of Year</b>	<b>\$ (48,280,757)</b>

*See Notes to Basic Financial Statements*

# LANSING CENTRAL SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2022

	Major Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>ASSETS</b>					
Cash - Unrestricted	\$ 1,400,867	\$ 75,000	\$ 32,785	\$ 51,656	\$ 1,560,308
Cash - Restricted	2,590,923	1,314,395	311,997	301,128	4,518,443
Receivables:					
Due from Other Funds	1,262,374	311,997	135,742	146,324	1,856,437
State and Federal Aid	387,109	-	687,077	1,119,639	2,193,825
Due from Other Governments	594,664	-	-	-	594,664
Other	456,901	-	-	18,336	475,237
Inventories	-	-	-	23,573	23,573
<b>Total Assets</b>	<b>\$ 6,692,838</b>	<b>\$ 1,701,392</b>	<b>\$ 1,167,601</b>	<b>\$ 1,660,656</b>	<b>\$ 11,222,487</b>
<b>LIABILITIES</b>					
Payables:					
Accounts Payable	\$ 138,464	\$ -	\$ 24,684	\$ 21,470	\$ 184,618
Accrued Liabilities	241,598	-	-	2,153	243,751
Due to Other Funds	46,883	75,000	445,266	1,289,288	1,856,437
Due to Other Governments	-	-	-	254	254
Due to Teachers' Retirement System	1,212,377	-	-	-	1,212,377
Due to Employees' Retirement System	79,623	-	-	-	79,623
Other Liabilities	-	-	-	27,842	27,842
Compensated Absences Payable	103,807	-	-	-	103,807
Unearned Revenues	152,864	-	-	-	152,864
<b>Total Liabilities</b>	<b>1,975,616</b>	<b>75,000</b>	<b>469,950</b>	<b>1,341,007</b>	<b>3,861,573</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	23,573	23,573
Restricted	2,590,923	1,626,392	-	352,300	4,569,615
Assigned	426,556	-	-	-	426,556
Unassigned (Deficit)	1,699,743	-	697,651	(56,224)	2,341,170
<b>Total Fund Balance (Deficit)</b>	<b>4,717,222</b>	<b>1,626,392</b>	<b>697,651</b>	<b>319,649</b>	<b>7,360,914</b>
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 6,692,838</b>	<b>\$ 1,701,392</b>	<b>\$ 1,167,601</b>	<b>\$ 1,660,656</b>	<b>\$ 11,222,487</b>

*See Notes to Basic Financial Statements*

# LANSING CENTRAL SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

**Fund Balances - Total Governmental Funds** **\$ 7,360,914**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation and amortization, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 71,918,639	
Less Accumulated Depreciation	(29,519,308)	
Less Accumulated Amortization	<u>(345,220)</u>	42,054,111

The School District's proportionate share of the Employee Retirement Systems' collective net pension (asset) or liability is not reported in the funds.

TRS Net Pension (Asset)/Liability - Proportionate Share	\$ 10,493,310	
ERS Net Pension (Asset)/Liability - Proportionate Share	<u>820,054</u>	11,313,364

Deferred outflows of resources, including deferred charges on defeased debt, pensions, and OPEB represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including pensions and OPEB, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Other Postemployment Benefits Deferred Outflows of Resources	\$ 14,884,533	
Other Postemployment Benefits Deferred Inflows of Resources	(6,228,540)	
ERS Deferred Outflows of Resources - Pension	1,540,075	
TRS Deferred Outflows of Resources - Pension	6,037,329	
ERS Deferred Inflows of Resources - Pension	(2,849,862)	
TRS Deferred Inflows of Resources - Pension	<u>(11,740,015)</u>	1,643,520

Long-term liabilities and obligations, including long-term debt payable, unamortized premiums, amounts due for other postemployment benefits liability, lease liabilities, and accrued interest on long-term debt are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (16,635,031)	
Unamortized Bond Premium	(1,758,038)	
Lease Liabilities	(445,801)	
Installment Purchase Debt Payable	(1,370,000)	
Other Postemployment Benefits Liability	(90,121,225)	
Accrued Interest on Debt	(90,641)	
Retainage Payable	<u>(231,930)</u>	<u>(110,652,666)</u>

**Net (Deficit) of Governmental Activities** **\$ (48,280,757)**

*See Notes to Basic Financial Statements*

# LANSING CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>REVENUES</b>					
Real Property Taxes	\$ 20,205,506	\$ -	\$ -	-	\$ 20,205,506
Real Property Tax Items	1,386,941	-	-	-	1,386,941
Charges for Services	59,022	-	-	-	59,022
Use of Money and Property	22,213	2,475	-	129	24,817
Sale of Property and Compensation for Loss	12,498	-	-	-	12,498
Miscellaneous	1,176,143	-	-	128,699	1,304,842
State Sources	9,499,786	-	189,277	141,711	9,830,774
Federal Sources	75,595	-	-	2,236,664	2,312,259
Sales - School Lunch	-	-	-	48,983	48,983
<b>Total Revenues</b>	<b>32,437,704</b>	<b>2,475</b>	<b>189,277</b>	<b>2,556,186</b>	<b>35,185,642</b>
<b>EXPENDITURES</b>					
General Support	3,294,195	135,290	-	57,300	3,486,785
Instruction	15,852,376	-	-	1,981,415	17,833,791
Pupil Transportation	1,073,091	-	-	17,122	1,090,213
Community Services	-	-	-	116,495	116,495
Employee Benefits	9,040,308	-	-	143,713	9,184,021
Debt Service:					
Principal	1,971,022	-	-	-	1,971,022
Interest	865,326	-	-	-	865,326
Cost of Sales	-	-	-	209,992	209,992
Capital Outlay	-	-	1,157,935	-	1,157,935
<b>Total Expenditures</b>	<b>32,096,318</b>	<b>135,290</b>	<b>1,157,935</b>	<b>2,526,037</b>	<b>35,915,580</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>341,386</b>	<b>(132,815)</b>	<b>(968,658)</b>	<b>30,149</b>	<b>(729,938)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Proceeds of Obligations	-	-	5,046,255	-	5,046,255
Bond Anticipation Notes Redeemed from Appropriations	-	-	109,400	-	109,400
Premium on Obligations	-	427,541	-	-	427,541
Operating Transfers In	101,912	51,968	453	116,241	270,574
Operating Transfers (Out)	(116,694)	(75,000)	(51,968)	(26,912)	(270,574)
<b>Total Other Sources (Uses)</b>	<b>(14,782)</b>	<b>404,509</b>	<b>5,104,140</b>	<b>89,329</b>	<b>5,583,196</b>
Net Change in Fund Balances	326,604	271,694	4,135,482	119,478	4,853,258
Fund Balances (Deficit) - Beginning of Year	4,390,618	1,354,698	(3,437,831)	200,171	2,507,656
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 4,717,222</b>	<b>\$ 1,626,392</b>	<b>\$ 697,651</b>	<b>\$ 319,649</b>	<b>\$ 7,360,914</b>

*See Notes to Basic Financial Statements*

# **LANSING CENTRAL SCHOOL DISTRICT**

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 4,853,258**

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

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay, net of disposals, exceeds depreciation expense.

Capital Asset Additions	\$ 1,680,331	
Disposal of Capital Assets, Net	(22,438)	
Depreciation Expense	(1,714,488)	
Amortization Expense	<u>(231,627)</u>	(288,222)

Changes in the School District's proportionate share of net pension assets and liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

ERS	\$ 360,150	
TRS	<u>1,697,450</u>	2,057,600

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of change in bonds issued, repayments, and amortization.

Proceeds on Obligations	\$ (4,800,000)	
Installment Purchase Principal Payment	335,000	
Amortization of Bond Premium	124,044	
Premium on Obligations	(393,288)	
Bond Principal Payments	1,295,000	
Equipment Leases	(246,255)	
Repayment of Leases	<u>231,627</u>	(3,453,872)

Long-term obligations, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term obligations are not reflected in the Governmental Fund financial statements. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to other postemployment benefits do not affect current financial resources and, therefore, are not reported in the Governmental Funds. These are the changes in the amounts that are reported in the Statement of Activities.

Other Postemployment Benefits	\$ (3,075,411)	
Retainage Payable	<u>(231,930)</u>	(3,307,341)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. This is the amount interest payable changed from the prior year.

64,598

**Net Change in Net Position of Governmental Activities** **\$ (73,979)**

*See Notes to Basic Financial Statements*



# ***LANSING CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2022**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash - Unrestricted	<u>\$ 116,869</u>
<b>Total Assets</b>	<u><u>\$ 116,869</u></u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 116,869</u>
<b>Total Net Position</b>	<u><u>\$ 116,869</u></u>

*See Notes to Basic Financial Statements*

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Extracurricular Activities Cash Receipts	\$ 62,255
<b>Total Additions</b>	<b>62,255</b>
<b>DEDUCTIONS</b>	
Extracurricular Activities Cash Disbursements	63,141
Change in Net Position	(886)
Net Position - Beginning of Year	117,755
<b>Net Position - End of Year</b>	<b>\$ 116,869</b>

*See Notes to Basic Financial Statements*

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

***Note 1***     **Summary of Significant Accounting Policies**

The accompanying financial statements of Lansing Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is Lansing Central School District;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. While the Extraclassroom Activity Funds are not considered a component unit of the School District, due to the School District's fiduciary responsibility in relation to the Funds, they are reported in the School District's Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's business office, located at 284 Ridge Road, Lansing, New York.

**Joint Venture**

The School District is one of nine component school districts in the Tompkins-Seneca-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Joint Venture - Continued**

BOCES are organized under §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 (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law (GML).

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

#### **Basis of Presentation - District-Wide Financial Statements**

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel overall administration and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. 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 not classified as program revenues, including all taxes, are presented as general revenues.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Presentation - Governmental Fund Financial Statements**

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

The School District reports the following Major Governmental Funds:

- **General Fund:** The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- **Debt Service Fund:** Accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of Governmental Activities.
- **Capital Projects Fund:** Accounts for the financial resources used for renovations of the educational complex and bus purchases.

#### **Non-Major Funds**

- **Special Revenue Funds:** These funds account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
  - **Special Aid Fund:** Used to account for proceeds received from state and federal grants that are restricted for special educational programs.
  - **School Lunch Fund:** Used to account for child nutrition activities whose funds are restricted as to use.
  - **Miscellaneous Special Revenue:** Used to account for student scholarships and other funds held for restricted purposes.

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

The School District reports the following Fiduciary Fund:

- **Custodial Fund:** Assets are held by the School District as an agent for Extraclassroom Activity Funds.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

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

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

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

#### **Cash and Investments**

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

#### **Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

#### **Due To/From Other 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.

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### *Note 1* Summary of Significant Accounting Policies - Continued

#### **Inventories and Prepaid Items**

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

#### **Capital Assets**

Capital assets are reported at actual cost for acquisitions subsequent to December 2, 2004. For assets acquired prior to December 2, 2004, capital assets are reported at estimated historical cost based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair value at the time received.

Depreciation is calculated using the straight-line method. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,000	40 Years
Building Improvements	1,000	20 Years
Furniture and Equipment	1,000	5-20 Years

#### **Leases**

The School District determines if an arrangement is or contains a lease at inception. The School District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The School District uses the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the School District elects to use its incremental borrowing rate in calculating present value of lease payments.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Leases - Continued**

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the School District will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The School District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position reports 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 School District reports deferred outflows of resources related to pensions and OPEB in the District-wide Statement of Net Position. The types of deferred outflows related to pensions and OPEB are described in Notes 11 and 12, respectively.

In addition to liabilities, the Statement of Net Position reports 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 will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to pensions and OPEB Plans which are further described in Note 11 and 12, respectively.

#### **Vested Employee Benefits - Compensated Absences**

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

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

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



# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Vested Employee Benefits - Compensated Absences - Continued**

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

#### **Vested Employee Benefits - Other Postemployment Benefits**

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 12 for additional information.

#### **Unearned and Unavailable Revenue**

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

The Governmental Fund financial statements sometimes reports a deferred outflow of resources for unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, a deferred outflow of resources for unavailable revenues is removed and revenues are recorded.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - District-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **Equity Classifications - Governmental Fund Financial Statements**

The School District follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law (RPT) §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML are excluded from the 4% limitation. The 4% limitation is applied to 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.

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education authorized the Superintendent to assign fund balance. The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

The Board of Education of the School District has a policy to maintain an unassigned fund balance of at least 4% of the current year's budgeted expenses.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### **Note 1 Summary of Significant Accounting Policies - Continued**

#### **Legally Adopted Reserves**

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within the State of New York. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

- Unemployment Insurance Reserve (GML §6-m) - Used to pay the cost of reimbursing the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. This reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.
- Mandatory Reserve for Debt Service (GML §6-l) - Used to establish a reserve for the purpose of retiring any outstanding obligations upon the sale of School District property or capital improvement financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.
- Retirement Contribution Reserve (GML §6-r) - Used to finance retirement contributions payable to the New York State and Local Employees' Retirement System and New York State Teachers' Retirement System. The reserve may be established by board action and is funded with budgetary appropriations and such other funds as may be legally appropriated. Funds may be spent without voter approval, invested in accordance with §11 of GML and must be accounted for separate and apart from all other school district funds. A portion of funds may be transferred to another reserve fund following a public hearing. This reserve is accounted for in the General Fund.
- Employee Benefit Accrued Liability Reserve (GML §6-p) - Used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Legally Adopted Reserves - Continued**

- Tax Certiorari Reserve (Education Law §3651.1-a) - Used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.
- Capital Reserve (Education Law §3651) - Used to pay the cost of any object or purpose for which bonds may be issued. The creation of a Capital Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

#### **Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 10, 2021. Taxes were collected during the period September 1 to November 2, 2021.

Uncollected real property taxes are subsequently enforced by Tompkins County. 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 following April 1.

#### **Interfund Transfers**

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **New Accounting Standard**

The School District adopted and implemented the following current Statement of the GASB effective for the year ended June 30, 2022:

- GASB Statement No. 87, “Leases.”

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending June 30, 2023.
- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending June 30, 2025.

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

### ***Note 2* Participation in BOCES**

During the year ended June 30, 2022, the School District’s share of BOCES income amounted to \$1,321,475. The School District was billed \$4,954,961 for BOCES administration and program costs. Financial statements for Tompkins-Seneca-Tioga BOCES are available from the BOCES administrative office at 555 Warren Road, Ithaca, NY 14850.

### ***Note 3* Cash and Cash Equivalents - Custodial and Concentration of Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District’s investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the School District’s name.

The School District’s aggregate bank balances of \$7,062,703 are either insured or collateralized with securities held by the pledging financial institution in the School District’s name.

The School 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, with investments held by the School District or by the School District’s agent in the School District’s name; or

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 3 Cash and Cash Equivalents - Custodial and Concentration of Credit Risk - Continued**

2. Uninsured and unregistered, with investments held by the financial institution's trust department in the School District's name; or
3. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the School District's name.

The School District does not typically purchase investments for a duration long enough to cause it to believe that it is exposed to any material interest rate risk.

The School District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

The School District did not have any investments at June 30, 2022.

Restricted cash consist of:

General Fund Reserves	\$	2,590,923
Restricted for School Lunch		116,076
Restricted for Debt Service		1,626,392
Restricted for Scholarships and Other Purposes		185,052
<b>Total</b>	<b>\$</b>	<b>4,518,443</b>

**Note 4 Due From State and Federal and Other Governments**

State and federal aid and due from other governments consisted of the following, which are stated at net realizable value.

Description	Amount
BOCES Aid	\$ 594,664
<b>Due from Other Governments</b>	<b>\$ 594,664</b>
Excess Cost Aid	\$ 302,498
Federal Grants	995,603
State Grants	84,611
Federal School Lunch Grants	120,542
State School Lunch Grants	3,494
State Capital Grants	687,077
<b>Due from State and Federal</b>	<b>\$ 2,193,825</b>

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 5 Interfund Balances and Activity**

Interfund balances at June 30, 2022, are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Interfund Revenues</b>	<b>Interfund Expenditures</b>
<b>Major Funds:</b>				
General Fund	\$ 1,262,374	\$ 46,883	\$ 101,912	\$ 116,694
Debt Service Fund	311,997	75,000	51,968	75,000
Capital Projects Fund	135,742	445,266	453	51,968
<b>Non-Major Funds:</b>				
Special Aid Fund	146,324	1,242,081	116,241	15,223
School Lunch Fund	-	47,207	-	11,689
<b>Total</b>	<b>\$ 1,856,437</b>	<b>\$ 1,856,437</b>	<b>\$ 270,574</b>	<b>\$ 270,574</b>

Interfund receivables and payables are eliminated on the Statement of Net Position.

The School District typically transfers from the General Fund to the Special Aid Fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.



# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

**Note 6 Capital Assets**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications and Disposals</u>	<u>Ending Balance</u>
<b>Capital Assets that are Not Depreciated</b>				
Land	\$ 111,727	\$ -	\$ -	\$ 111,727
Construction in Progress	10,987,802	845,576	(43,541)	11,789,837
<b>Total Nondepreciable Historical Cost</b>	<u>11,099,529</u>	<u>845,576</u>	<u>(43,541)</u>	<u>11,901,564</u>
<b>Capital Assets that are Depreciated</b>				
Buildings	50,747,258	-	-	50,747,258
Furniture and Equipment	8,071,136	588,500	(180,840)	8,478,796
<b>Total Depreciable Historical Cost</b>	<u>58,818,394</u>	<u>588,500</u>	<u>(180,840)</u>	<u>59,226,054</u>
<b>Intangible Lease Assets:</b>				
Equipment	809,036	246,255	(264,270)	791,021
<b>Total Historical Cost</b>	<u>70,726,959</u>	<u>1,680,331</u>	<u>(488,651)</u>	<u>71,918,639</u>
<b>Less Accumulated Depreciation</b>				
Buildings	(22,409,878)	(1,298,825)	-	(23,708,703)
Furniture and Equipment	(5,596,885)	(415,663)	201,943	(5,810,605)
<b>Total Accumulated Depreciation</b>	<u>(28,006,763)</u>	<u>(1,714,488)</u>	<u>201,943</u>	<u>(29,519,308)</u>
<b>Less Accumulated Amortization:</b>				
Equipment	(377,863)	(231,627)	264,270	(345,220)
<b>Total Historical Cost, Net</b>	<u>\$ 42,342,333</u>	<u>\$ (265,784)</u>	<u>\$ (22,438)</u>	<u>\$ 42,054,111</u>

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

General Support	\$ 1,004,859
Instruction	642,513
Transportation	291,393
School Lunch	7,350
<b>Total</b>	<u>\$ 1,946,115</u>

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

**Note 7 Short-Term Debt**

The School District may issue revenue anticipation notes (RANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs during the year.

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

The School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The following is a summary of the School District's short-term debt for the year ended June 30, 2022:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Construction - BANs	1.25%	07/23/2021	\$4,817,400		\$ (4,817,400)	\$ -
Construction - BANs	1.00%	06/28/2022		\$4,817,400	\$ (4,817,400)	\$ -

Interest expense on short-term debt during the year was comprised of:

Interest Paid	\$ 105,180
(Less) Interest Accrued in the Prior Year	(56,423)
(Less) Current Year BAN Premium	<u>(34,258)</u>
<b>Total</b>	<b><u>\$ 14,499</u></b>

**Note 8 Long-Term Debt**

At June 30, 2022, the total outstanding indebtedness of the School District represented 17.8% of its statutory debt limit, exclusive of building aid. Long-term debt is classified as follows:

- Serial Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.
- Installment Purchase Debt - The School District leases energy conservation equipment with the intent to purchase. Accumulated depreciation and net book value of equipment under capital lease at June 30, 2022 is \$1,072,769 and \$3,218,306, respectively.

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

**Note 8 Long-Term Debt - Continued**

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

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2022</u>
<b>Serial Bonds</b>				
2015 DASNY Bonds-Capital	06/15/2015	06/15/2030	3.00% - 5.00%	\$ 1,330,000
Unamortized Bond Premium				98,854
Total				<u>1,428,854</u>
2017 DASNY Bonds-Capital	06/08/2017	06/30/2031	3.00% - 5.00%	2,270,000
Unamortized Bond Premium				320,479
Total				<u>2,590,479</u>
2018 DASNY Bond- Capital	06/15/2018	06/15/2032	5.00%	4,305,000
Unamortized Bond Premium				529,962
Total				<u>4,834,962</u>
2020 DASNY Bond- Capital	06/17/2020	06/15/2040	3.00%-5.00%	2,545,000
Unamortized Bond Premium				415,453
Total				<u>2,960,453</u>
2022 DASNY Bond- Capital	06/15/2022	06/15/2037	5.00%	4,450,000
Unamortized Bond Premium				393,289
Total				<u>4,843,289</u>
2010 Serial Bonds - Capital	06/15/2010	06/15/2025	2.625% - 4.625%	100,000
2013 DASNY Bonds - Capital	06/13/2013	06/15/2027	3.00% - 4.00%	965,000
2019 Serial Bonds - Buses	12/13/2018	06/15/2023	2.625% - 3.000%	55,032
2019 Serial Bonds - Buses	11/15/2020	06/15/2024	1.10%-2.10%	145,000
2021 Serial Bonds - Buses	06/15/2021	06/15/2025	1.20%	185,000
2022 Serial Bonds - Buses	06/15/2022	06/15/2026	1%-1.10%	285,000
Total				<u>1,735,032</u>
<b>Total Bonds</b>				18,393,069
<b>Installment Purchase Debt</b>				
Energy Performance Contract	10/16/2009	09/01/2025	5.17%	<u>1,370,000</u>
<b>Total</b>				<u><u>\$ 19,763,069</u></u>

Interest expense on long-term debt during the year was comprised of:

Interest Paid	\$ 686,874
(Less) Interest Accrued in the Prior Year	(98,816)
Plus Interest Accrued in the Current Year	90,641
(Less) Amortization of Bond Premium	<u>(124,044)</u>
<b>Total</b>	<u><u>\$ 554,655</u></u>

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

**Note 8 Long-Term Debt - Continued**

Interest rates paid on the serial bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	\$ 13,130,031	\$ 4,800,000	\$ (1,295,000)	\$ 16,635,031	\$ 1,445,000
Unamortized Premium	1,488,794	393,288	(124,044)	1,758,038	150,262
Installment Purchase Debt	1,705,000	-	(335,000)	1,370,000	350,000
<b>Total</b>	<b><u>\$ 16,323,825</u></b>	<b><u>\$ 5,193,288</u></b>	<b><u>\$ (1,754,044)</u></b>	<b><u>\$ 19,763,069</u></b>	<b><u>\$ 1,945,262</u></b>

The following is a summary of the maturity of long-term indebtedness.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,795,000	\$ 904,938	\$ 2,699,938
2024	1,880,000	761,602	2,641,602
2025	1,875,000	676,059	2,551,059
2026	1,730,000	588,926	2,318,926
2027	1,445,000	526,201	1,971,201
2028-2032	6,300,000	1,603,002	7,903,002
2033-2037	2,615,000	431,350	3,046,350
2038-2040	365,031	21,350	386,381
<b>Total</b>	<b><u>\$ 18,005,031</u></b>	<b><u>\$ 5,513,428</u></b>	<b><u>\$ 23,518,459</u></b>

**Note 9 Compensated Absences**

Represents the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General Fund.

A summary of 2021 - 2022 activity follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated Absences	<b><u>\$ 95,531</u></b>	<b><u>\$ 8,276</u></b>	<b><u>\$ -</u></b>	<b><u>\$103,807</u></b>

Changes in compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 10 Lease Liabilities**

During the year ended June 30, 2022, the School District implemented GASB Statement No. 87, "Leases."

The School District enters into lease agreements for certain equipment that are considered leases. The School District is not party to any material short term leases, and current leases do not require any variable payments.

At June 30, 2022, the School District reported \$791,021, offset by accumulated amortization of \$345,220, in intangible lease assets.

Lease liabilities as of June 30, 2022 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding June 30, 2022</u>
IPA 06550	06/28/2019	06/28/2024	2.63%	\$ 71,011
IPA 16550	07/29/2020	06/29/2025	1.90%	167,412
Copiers 16502P	07/01/2021	06/01/2025	2.32%	207,378
<b>Total</b>				<b><u><u>\$ 445,801</u></u></b>

The following is a summary of the maturity of lease liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 176,856	\$ 56,060	\$ 232,916
2024	123,103	37,449	160,552
2025	145,842	14,710	160,552
<b>Total</b>	<b><u><u>\$ 445,801</u></u></b>	<b><u><u>\$ 108,219</u></u></b>	<b><u><u>\$ 554,020</u></u></b>

Interest paid for the current year amounted to \$73,272.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)**

**Teachers' Retirement System Plan Description and Benefits Provided (TRS) (System)**

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee 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 (RSSL). The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. 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, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 11* Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

#### **Employees' Retirement System Plan Description and Benefits Provided (ERS) (System)**

The School 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 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

#### **Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' respective fiduciary net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Contributions**

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

		<b>ERS</b>	<b>TRS</b>
<b>2022</b>	<b>\$</b>	<b>424,965</b>	<b>\$ 979,478</b>
2021		399,169	933,469
2020		387,590	1,066,325

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

At June 30, 2022, the School 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 School District's proportionate share of the net pension (asset)/liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

	<b>ERS</b>	<b>TRS</b>
Actuarial Valuation Date	04/01/2021	06/30/2020
Net Pension (Asset)/Liability	\$ (8,174,858,678)	\$ (17,329,041,946)
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	(820,054)	(10,493,310)
School District's Share of the Net Pension (Asset)/Liability	0.0100317%	0.060553%



# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

**Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

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

For the year ended June 30, 2022, the School District recognized pension expense of \$34,840 for ERS and expense of \$612,888 for TRS in the District-wide financial statements. At June 30, 2022 the School District 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	\$ 62,104	\$ 1,446,391	\$ 80,552	\$ 54,517
Changes of Assumptions	1,368,578	3,451,469	23,093	611,204
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-		2,685,333	10,982,334
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	29,770	55,446	60,884	91,960
School District's Contributions Subsequent to the Measurement Date	79,623	1,084,023	-	-
<b>Total</b>	<b>\$ 1,540,075</b>	<b>\$ 6,037,329</b>	<b>\$ 2,849,862</b>	<b>\$ 11,740,015</b>

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, 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	\$ (214,303)	\$ (1,365,869)
2024	(307,682)	(1,598,469)
2025	(711,044)	(2,012,360)
2026	(156,381)	(2,654,071)
2027	-	489,695
Thereafter	-	354,365

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### *Note 11* Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

#### 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 liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Investment Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95% - 5.18%
Cost of Living Adjustment	1.4%	1.3%
Inflation Rate	2.7%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-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 April 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Actuarial Assumptions - Continued**

For ERS, 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. For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

Measurement Date	<u>ERS</u> March 31, 2022	<u>TRS</u> June 30, 2021
<b>Asset Type</b>		
Domestic Equities	3.30%	6.80%
International Equities	5.85%	7.60%
Global Equities	-	7.10%
Real Estate	5.00%	6.50%
Private Equity	6.50%	10.00%
Opportunistic/Absolute Return Strategy	4.10%	-
Real Assets	5.58%	-
Cash	(1.00)%	-
Credit	3.78%	-
Domestic Fixed Income	-	1.30%
Global Bonds	-	0.80%
Private Debt	-	5.90%
Real Estate Debt	-	3.30%
High-Yield Bonds	-	3.80%
Cash Equivalents	-	(0.20)%

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Discount Rate**

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

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

The following presents the School District's proportionate share of the net pension (asset)/liability calculated using the discount rate, as well as what the School 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 or higher than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 2,110,810	\$ (820,054)	\$ (3,271,580)
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (1,101,120)	\$ (10,493,310)	\$ (18,386,764)

**Pension Plan Fiduciary Net Position**

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' Total Pension (Asset)/Liability	\$ 223,874,888	\$ 130,819,415
Plan Net Position	(232,049,473)	(148,148,457)
Employers' Net Pension (Asset)/Liability	\$ (8,174,585)	\$ (17,329,042)
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	103.7%	113.2%

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$79,623.

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 \$1,212,377.

**Current Year Activity**

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
<b>ERS</b>			
Net Pension (Asset)/Liability	\$ 10,256	\$ (830,310)	\$ (820,054)
Deferred Outflows of Resources	(2,171,816)	631,741	(1,540,075)
Deferred Inflows of Resources	3,011,443	(161,581)	2,849,862
Subtotal	<u>849,883</u>	<u>(360,150)</u>	<u>489,733</u>
<b>TRS</b>			
Net Pension (Asset)/Liability	1,715,246	(12,208,556)	(10,493,310)
Deferred Outflows of Resources	(5,784,477)	(252,852)	(6,037,329)
Deferred Inflows of Resources	976,057	10,763,958	11,740,015
Subtotal	<u>(3,093,174)</u>	<u>(1,697,450)</u>	<u>(4,790,624)</u>
<b>Total</b>	<u><b>\$ (2,243,291)</b></u>	<u><b>\$ (2,057,600)</b></u>	<u><b>\$ (4,300,891)</b></u>

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### Note 12 Postemployment Benefits Other Than Pensions

#### General Information about the OPEB Plan

Plan Description - The Plan is a single-employer defined benefit healthcare plan administered by Excellus Blue Cross Blue Shield. The Plan provides medical and prescription drug insurance benefits to eligible retirees and their spouses. Benefit provisions are established through negotiations between the School District and bargaining units and are renegotiated each three-year period. The School District assigns the authority to establish and amend benefit provisions to the Board of Education for non-bargaining unit employees. The Plan does not issue separate financial statements.

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

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

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	156
Active Employees	231
	<hr/>
<b>Total</b>	<b>387</b>

#### Total OPEB Liability

The School District's total OPEB liability of \$90,121,225 was measured as of July 1, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate:	2.14%
Single Discount Rate	2.14%
Salary Scale	3.50%
Dental Trend Rate	5.00% per year
Medicare Part B Rate	5.00%
Marital Assumption	70.00%
Rate of Inflation	2.40%
Participation Rate	100.00%
Healthcare Cost Trend Rates	7.0% for 2022, decreasing to an ultimate rate of 3.94% for 2091 and later years.

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### Note 12 Postemployment Benefits Other than Pensions - Continued

#### Total OPEB Liability - Continued

The long-term bond rate is based on the Bond Buyer Weekly 20-Year Bond GO Index rate as of the measurement date (or the nearest business day thereto).

The salary scale was based on the School District's review of historical experience as well as future expectations.

Mortality rates were based on the Scale MP-2020 (generation mortality) published by the pension mortality study released by the Society of Actuaries.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death or retirement.

Retirement rates are based on tables used by the New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2020 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

#### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2021</b>	<u>\$ 86,141,580</u>
<b>Changes for the Year</b>	
Service Cost	3,249,473
Interest Cost	1,950,916
Changes in Assumptions or Other Inputs	1,007,818
Benefit Payments	<u>(2,228,562)</u>
	<u>3,979,645</u>
<b>Balance at June 30, 2022</b>	<u><u>\$ 90,121,225</u></u>

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 12 Postemployment Benefits Other than Pensions - Continued**

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent on July 1, 2021 to 2.14 percent on July 1, 2022.

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

	<b>1% Decrease (1.14)%</b>	<b>Discount Rate (2.14)%</b>	<b>1% Increase (3.14)%</b>
Total OPEB Liability	\$ 106,398,722	\$ 90,121,225	\$ 77,098,773

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 74,520,263	\$ 90,121,225	\$ 110,594,031

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$5,433,477.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 249,855	\$ 2,526,775
Changes in Assumptions or Other Inputs	12,276,612	3,701,765
Contributions Subsequent to Measurement Date	2,358,066	-
<b>Total</b>	<b>\$ 14,884,533</b>	<b>\$ 6,228,540</b>



# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 12 Postemployment Benefits Other than Pensions - Continued**

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, 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 OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year</b>	<b>Amount</b>
<u>Ending June 30,</u>	<u>Amount</u>
2023	\$ 233,088
2024	929,844
2025	1,834,268
2026	2,042,274
2027	1,178,073
Thereafter	80,380

**Current Year Activity**

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB Liability	\$ (86,141,580)	\$ 3,979,645	\$ (90,121,225)
Deferred Outflows of Resources	16,527,447	1,642,914	14,884,533
Deferred Inflows of Resources	(8,775,688)	(2,547,148)	(6,228,540)
<b>Total</b>	<b><u>\$ (78,389,821)</u></b>	<b><u>\$ 3,075,411</u></b>	<b><u>\$ (81,465,232)</u></b>

**Note 13 Commitments and Contingencies**

**Risk Financing and Related Insurance**

**General Information**

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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 three years.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

### ***Note 13* Commitments and Contingencies - Continued**

#### **Health Insurance**

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by the Tompkins-Seneca-Tioga BOCES health insurance consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include nine districts, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies.

If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained at TST BOCES, 555 Warren Road, Ithaca, New York.

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

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

During the year ended June 30, 2022, the School District incurred premiums or contribution expenditures totaling \$6,372,104.

#### **Workers' Compensation**

The School District participates and incurs costs related to a workers' compensation insurance plan (Plan) sponsored by BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program.

School Districts joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by forwarding a resolution passed by the School District Board of Education prior to the end of the fiscal year. Plan members include eight districts and one BOCES, with the School District bearing a share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained at TST BOCES, 555 Warren Road, Ithaca, NY.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

### ***Note 13* Commitments and Contingencies - Continued**

#### **Workers' Compensation - Continued**

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

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

During the year ended June 30, 2022, the School District incurred premiums or contribution expenditures totaling \$145,626.

#### **Other Items**

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

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

**Note 14 Fund Balance Detail**

At June 30, 2022, nonspendable, restricted, and assigned fund balances in the governmental funds were as follows:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Non-Major Governmental Fund</b>
<b>Nonspendable</b>			
Inventory	\$ -	\$ -	\$ 23,573
<b>Total Nonspendable Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,573</b>
<b>Restricted</b>			
Retirement Contribution Reserve - ERS	\$ 702,916	\$ -	\$ -
Retirement Contribution Reserve - TRS	196,466	-	-
Tax Certiorari Reserve	104,422	-	-
Unemployment Insurance Reserve	45,605	-	-
Employee Benefit Accrued			
Liability Reserve	191,761	-	-
Capital Projects Reserve	366,563	-	-
Capital Reserve	983,190	-	-
School Lunch	-	-	167,248
Scholarships and Other Restricted Resources	-	-	185,052
Debt Service	-	1,626,392	-
<b>Total Restricted Fund Balance</b>	<b>\$ 2,590,923</b>	<b>\$ 1,626,392</b>	<b>\$ 352,300</b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 250,000	\$ -	\$ -
Encumbered for:			
General Support	83,883	-	-
Instruction	83,767	-	-
Transportation	1,979	-	-
Employee Benefits	6,927	-	-
<b>Total Assigned Fund Balance</b>	<b>\$ 426,556</b>	<b>\$ -</b>	<b>\$ -</b>

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 15 Restricted Fund Balances**

Portions of fund balance are restricted and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity for the year ended June 30, 2022 of the General Fund reserves were as follows:

<u>General Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Retirement Contribution Reserve - ERS	\$ 902,764	\$ -	\$ 152	\$ (200,000)	\$ 702,916
Retirement Contribution Reserve - TRS	196,433	-	33	-	196,466
Tax Certiorari Reserve	104,366	-	56	-	104,422
Unemployment Insurance Reserve	45,581	-	24	-	45,605
Employee Benefit Accrued Liability Reserve	291,476	-	285	(100,000)	191,761
Capital Projects Reserve	362,778	-	3,785	-	366,563
Capital Reserve	32,847	950,000	343	-	983,190
<b>Total</b>	<b><u>\$ 1,936,245</u></b>	<b><u>\$ 950,000</u></b>	<b><u>\$ 4,678</u></b>	<b><u>\$ (300,000)</u></b>	<b><u>\$ 2,590,923</u></b>

**Note 16 Stewardship, Compliance and Accountability**

**Deficit Net Position**

At June 30, 2022 the District-wide Statement of Net Position had an unrestricted deficit net position of \$74,438,999. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 12). This deficit is not expected to be eliminated during the normal course of operations.

**Deficit Unassigned Fund Balance**

At June 30, 2022 the Special Aid Fund had a deficit of \$56,224. The deficit is largely due to the change in operations for COVID 19. The School District is currently determining the best way to eliminate it.

**Note 17 Tax Abatements**

For the year ended June 30, 2022, property in the School District was subject to property tax abatements negotiated by the Tompkins County Industrial Development Agency (TCIDA).

TCIDA enters into PILOT agreements with businesses within Tompkins County under New York State GML §858. Economic development agreements entered into by TCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which TCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction. The School District's property tax revenue was reduced by \$54,863. The School District received PILOTs totaling \$233,127.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

**Note 18 Restatement**

During the year, the School District adopted GASB Statement No. 84. The School District's June 30, 2022 assets and liability balances have been restated to reflect the following:

	<b>Intangible Assets Net</b>	<b>Lease Liabilities</b>
<b>Balance Beginning of Year, as Previously Reported</b>	\$ -	\$ -
GASB Statement No. 87 Implementation	431,173	431,173
<b>Balance Beginning of Year, as Restated</b>	<b>\$ 431,173</b>	<b>\$ 431,173</b>

**Note 19 Subsequent Events**

Subsequent to year end, the School District issued a bond for \$350,000 for bus financing. The bond matures on June 15, 2027 and yields interest at 3.328%.

# **LANSING CENTRAL SCHOOL DISTRICT**

## **SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
<b>Local Sources</b>				
Real Property Taxes	\$ 21,247,375	\$ 21,247,375	\$ 20,205,506	\$ (1,041,869)
Real Property Tax Items	329,022	329,022	1,386,941	1,057,919
Charges for Services	37,500	37,500	59,022	21,522
Use of Money and Property	45,500	45,500	22,213	(23,287)
Sale of Property and Compensation for Loss	12,500	12,500	12,498	(2)
Miscellaneous	530,000	530,000	1,176,143	646,143
<b>Total Local Sources</b>	<u>22,201,897</u>	<u>22,201,897</u>	<u>22,862,323</u>	<u>660,426</u>
State Sources	9,926,984	9,926,984	9,499,786	(427,198)
Federal Sources	30,000	30,000	75,595	45,595
<b>Total Revenues</b>	<u>32,158,881</u>	<u>32,158,881</u>	<u>32,437,704</u>	<u>278,823</u>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	75,000	75,000	101,912	26,912
<b>Total Revenues and Other   Financing Sources</b>	<u>32,233,881</u>	<u>32,233,881</u>	<u>\$ 32,539,616</u>	<u>\$ 305,735</u>
Appropriated Reserves	175,000	175,000		
Encumbrances Carried Forward From Prior Year	346,673	292,730		
<b>Total Revenues, Appropriated   Reserves, and Designated   Fund Balance</b>	<u>\$ 32,755,554</u>	<u>\$ 32,701,611</u>		

*See Notes to Required Supplementary Information*

# LANSING CENTRAL SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	\$ 24,500	\$ 35,218	\$ 34,596	\$ 140	\$ 482
Central Administration	257,110	274,968	272,482	-	2,486
Finance	519,584	544,343	514,825	22,079	7,439
Staff	292,377	296,989	293,431	-	3,558
Central Services	1,935,032	1,693,397	1,603,777	61,664	27,956
Special Items	590,924	579,377	575,084	-	4,293
<b>Total General Support</b>	<u>3,619,527</u>	<u>3,424,292</u>	<u>3,294,195</u>	<u>83,883</u>	<u>46,214</u>
<b>Instruction</b>					
Instruction, Administration, and Improvement	936,243	1,090,951	1,064,037	578	26,336
Teaching - Regular School	8,206,217	8,275,026	8,201,383	29,563	44,080
Programs for Children With Handicapping Conditions	3,518,215	3,231,048	3,167,551	31,978	31,519
Occupational Education	786,437	786,437	786,437	-	-
Teaching - Special School	120,542	120,542	120,542	-	-
Instructional Media	1,281,221	1,019,980	1,005,784	4,979	9,217
Pupil Services	1,427,238	1,556,153	1,506,642	16,669	32,842
<b>Total Instruction</b>	<u>16,276,113</u>	<u>16,080,137</u>	<u>15,852,376</u>	<u>83,767</u>	<u>143,994</u>
Pupil Transportation	1,206,121	1,124,680	1,073,091	1,979	49,610
Employee Benefits	8,766,651	9,112,363	9,040,308	6,927	65,128
<b>Debt Service</b>					
Principal	1,852,400	1,971,022	1,971,022	-	-
Interest	912,742	867,117	865,326	-	1,791
<b>Total Debt Service</b>	<u>2,765,142</u>	<u>2,838,139</u>	<u>2,836,348</u>	<u>-</u>	<u>1,791</u>
<b>Total Expenditures</b>	<u>32,633,554</u>	<u>32,579,611</u>	<u>32,096,318</u>	<u>176,556</u>	<u>306,737</u>
<b>OTHER FINANCING USES</b>					
Operating Transfers Out	122,000	122,000	116,694	-	5,306
<b>Total Expenditures and Other Financing Uses</b>	<u><u>\$32,755,554</u></u>	<u><u>\$32,701,611</u></u>	<u>32,213,012</u>	<u><u>\$ 176,556</u></u>	<u><u>\$ 312,043</u></u>
<b>Net Change in Fund Balance</b>			326,604		
Fund Balance - Beginning of Year			4,390,618		
<b>Fund Balance - End of Year</b>			<u><u>\$ 4,717,222</u></u>		

*See Notes to Required Supplementary Information*



# **LANSING CENTRAL SCHOOL DISTRICT**

## **SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	<b>\$ 424,965</b>	\$ 399,169	\$ 387,590	\$ 356,044	\$ 364,038	\$ 355,255	\$ 388,265	\$ 439,583	\$ 392,139	\$ 363,867
Contributions in Relation to the Contractually Required Contribution	<b>(424,965)</b>	(399,169)	(387,590)	(356,044)	(364,038)	(355,255)	(388,265)	(439,583)	(392,139)	(363,867)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll	<b>2,875,709</b>	2,966,132	2,885,628	2,669,784	2,639,106	2,484,937	2,301,111	2,296,267	2,139,847	2,112,558
Contributions as a Percentage of Covered Employee Payroll	<b>14.9%</b>	13.5%	13.4%	13.3%	13.8%	14.3%	16.9%	19.1%	18.3%	17.2%

## **SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	<b>\$ 1,084,023</b>	\$ 979,478	\$ 933,469	\$ 1,066,325	\$ 958,394	\$ 1,115,961	\$ 1,232,992	\$ 1,570,774	\$ 1,439,687	\$ 1,440,790
Contributions in Relation to the Contractually Required Contribution	<b>(1,084,023)</b>	(979,478)	(933,469)	(1,066,325)	(958,394)	(1,115,961)	(1,232,992)	(1,570,774)	(1,439,687)	(1,440,790)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll	<b>11,061,459</b>	10,310,295	10,488,416	10,059,670	11,413,673	9,521,852	9,298,582	8,960,491	8,859,612	8,699,907
Contributions as a Percentage of Covered Employee Payroll	<b>9.8%</b>	9.5%	8.9%	10.6%	8.4%	11.7%	13.3%	17.5%	16.3%	16.6%

*See Notes to Required Supplementary Information*

# **LANSING CENTRAL SCHOOL DISTRICT**

## **'SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	<b>0.0100317%</b>	0.0102999%	0.010168%	0.0093273%	0.0093751%	0.0089431%	0.0089287%	0.0088022%
School District's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ (820,054)</b>	\$ 10,256	\$ 2,692,627	\$ 660,867	\$ 302,578	\$ 840,318	\$ 1,433,078	\$ 297,359
School District's Covered Employee Payroll During the Measurement Period	<b>2,845,836</b>	2,966,132	2,885,628	2,669,784	2,600,314	2,446,125	2,256,082	2,272,262
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	<b>(28.8)%</b>	0.3%	93.3%	24.8%	11.6%	34.4%	63.5%	13.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	<b>103.7%</b>	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

## **SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	<b>0.060553%</b>	0.062073%	0.060154%	0.060045%	0.060226%	0.060259%	0.059652%	0.059978%
School District's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ (10,493,310)</b>	\$ 1,715,246	\$ (1,562,813)	\$ (1,085,767)	\$ (457,778)	\$ 645,400	\$ (6,195,909)	\$ (6,681,121)
School District's Covered Employee Payroll During the Measurement Period	<b>11,061,459</b>	10,310,295	10,488,416	11,413,673	9,521,852	9,521,852	9,298,582	8,960,491
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	<b>(94.9)%</b>	(16.6)%	14.9%	9.5%	4.8%	6.8%	66.6%	74.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	<b>113.2%</b>	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

*See Notes to Required Supplementary Information*

# LANSING CENTRAL SCHOOL DISTRICT

## SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total OPEB Liability</b>										
Service Cost	\$ 3,249,473	\$ 2,127,780	\$ 2,227,301	\$ 2,280,284	\$ 2,968,078	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	1,950,916	2,512,625	2,704,002	2,536,440	2,199,749	*	*	*	*	*
Changes of Benefit Terms	-	-	-	(1,925,432)	-	*	*	*	*	*
Differences Between Expected and Actual Experience	-	(3,644,817)	-	643,331	-	*	*	*	*	*
Changes in Assumptions or Other Inputs	1,007,818	16,477,955	(975,820)	(2,331,259)	(9,680,443)	*	*	*	*	*
Benefit Payments	<u>(2,228,562)</u>	<u>(1,986,942)</u>	<u>(1,888,106)</u>	<u>(1,584,288)</u>	<u>(1,469,902)</u>	*	*	*	*	*
	3,979,645	15,486,601	2,067,377	(380,924)	(5,982,518)	*	*	*	*	*
Total OPEB Liability - Beginning	<u>86,141,580</u>	<u>70,654,979</u>	<u>68,587,602</u>	<u>68,968,526</u>	<u>74,951,044</u>	*	*	*	*	*
<b>Total OPEB Liability - Ending</b>	<u>\$ 90,121,225</u>	<u>\$ 86,141,580</u>	<u>\$ 70,654,979</u>	<u>\$ 68,587,602</u>	<u>\$ 68,968,526</u>	<u>\$ 74,951,044</u>	\$ *	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 13,011,254	\$ 13,451,746	\$ 14,052,090	\$ 12,270,572	\$ 12,921,712	\$ *	\$ *	\$ *	\$ *	\$ *
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>693%</b>	640%	503%	559%	534%	*	*	*	*	*
Discount Rate	2.14%	2.21%	3.50%	387.00%	3.60%					

*\*Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.*

*See Notes to Required Supplementary Information*

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

### *Note 1* **Budget Basis of Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education (Board) for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Adopted Budget	\$ 32,408,881
Prior Year Encumbrances	<u>346,673</u>
Original Budget	32,755,554
Prior Year Encumbrance Adjustment	<u>(53,943)</u>
<b>Final Budget</b>	<b><u><u>\$ 32,701,611</u></u></b>

### *Note 2* **Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as there were no encumbrances added to the actual expenditures recorded in the budgetary comparison schedules.

### *Note 3* **Schedule of Changes in the School District's Total OPEB Liability and Related Ratios**

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates in each period:

2022 - 2.14%
2021 - 2.21%

### **Changes in Experience**

Demographic (gain)/loss comes from many sources, such as rates of termination, retirement, and election of health care benefits. Some demographic shifts occurred between 2018 and 2020. There are 5 fewer actives and 11 more retirees in this valuation. Between 2018 and 2020, 15 actives retired, 3 less than assumed. Between 2018 and 2020, 25 actives withdrew, 8 more than assumed. There are 10 new actives added to this valuation who were hired prior to the previous valuation date. On average, claims costs are about 1% greater than expected for pre-65 members and 8.7% less than expected for post-65 members. Premium equivalent rates are approximately equal to expected trend.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022**

### ***Note 3* Schedule of Changes in the School District's Total OPEB Liability and Related Ratios - Continued**

#### **Changes to Assumptions and Other Inputs**

Updated the mortality tables to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2020. Changed the discount rate from 2.21% to 2.14%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date. Updated the short term trend rates using the SOA Long-Run Medical Cost Trend Model (v2019\_b). Service eligibility for Teachers was changed to an assumed amount of 10 years.

### ***Note 4* Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability**

The Schedule of the School District's Proportionate Share of the Net Pension (Asset)/Liability required supplementary information presents ten years of information for the pension plans.

### ***Note 5* Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability**

#### **NYSLRS**

#### **Changes in Benefit Terms**

There were no significant legislative changes in benefits for the April 1, 2021 actuarial valuation.

#### **Changes of Assumptions**

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the actuarial valuation. The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022**

***Note 5*** **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - Continued**

**NYSLRS - Continued**

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2022. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.5% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.
Active Member Decrements	Based upon FY 2016-2020 experience
Pensioner Mortality	Gender/Collar specific tables based upon FY 2016-2020 experience
Mortality Improvement	Society of Actuaries' Scale MP-2019

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022**

### ***Note 5* Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - Continued**

#### **NYSTRS**

##### **Changes in Benefit Terms**

None.

##### **Changes of Assumptions**

Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated, future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension (Asset)/ Liability. Current proposed assumptions are used in the 2021 determination of the Total Pension (Asset)/ Liability.

The System's long-term rate of return assumption for purposes of the NPL is 6.95%, effective with the 2021 actuarial valuation. For the 2020 and 2019 actuarial valuations, the System's long-term rate of return assumption was 7.10%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.40% for 2021 and 2.20% for 2019 and 2020. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2021 actuarial valuation, the assumed scale for mortality improvement was changed from MP2019 to MP2020. Effective with the 2020 actuarial valuation, the assumed scale for mortality improvement was changed from MP2018 to MP2019. Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement was changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

# LANSING CENTRAL SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

**Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - Continued**

**NYSTRS - Continued**

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine school districts' contributions in 2021. For assumptions and plan provisions used in contributions reported for years prior to 2021, refer to the Annual Actuarial Report for two years prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method	The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.										
Asset Valuation Method	Five-year phased-in deferred recognition of each year's net investment income/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20% per year, until fully recognized after five years.										
Inflation	2.2%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>4.72%</td></tr><tr><td>15</td><td>3.46%</td></tr><tr><td>25</td><td>2.37%</td></tr><tr><td>35</td><td>1.90%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	4.72%	15	3.46%	25	2.37%	35	1.90%
<u>Service</u>	<u>Rate</u>										
5	4.72%										
15	3.46%										
25	2.37%										
35	1.90%										
Investment Rate of Return	7.10% compounded annually, net of investment expenses, including inflation.										
Cost of Living Adjustments	1.3% compounded annually.										



# LANSING CENTRAL SCHOOL DISTRICT

## SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2022

### CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		<u>\$ 32,408,881</u>
Prior Year's Encumbrances		<u>346,673</u>
Original Budget		<u>32,755,554</u>
Deductions:		
Prior Year Encumbrance Adjustment		<u>(53,943)</u>
Total Deductions		<u>(53,943)</u>
<b>Final Budget</b>		<b><u><u>\$ 32,701,611</u></u></b>

### §1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

<b>2022 - 2023 Voter Approved Expenditure Budget</b>		<b><u><u>\$ 34,048,725</u></u></b>
Maximum Allowed (4% of 2022 - 2023 Budget)		\$ 1,361,949
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 426,556	
Unassigned Fund Balance	<u>1,699,743</u>	
Total Unrestricted Fund Balance	<u>2,126,299</u>	
Less:		
Appropriated Fund Balance	\$ 250,000	
Encumbrances Included in Assigned Fund Balance	<u>176,556</u>	
Total Adjustments	<u>426,556</u>	
<b>General Fund Fund Balance Subject to §1318 of Real Property Tax Law</b>		<b><u><u>\$ 1,699,743</u></u></b>
Actual Percentage		4.99%

# LANSING CENTRAL SCHOOL DISTRICT

## SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				*Unexpended Budget Balance	Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) June 30, 2022
			Prior Years	Current Year	Debt Transfer Out	Total			State Aid	Local Sources	Total	
Buses - 2020	\$ 350,000	\$ 350,000	\$ -	\$ 298,032	\$ 51,968	\$ 350,000	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000	\$ -
2016 Referendum - Smart Bonds	4,950,000	4,950,000	4,466,191	38,790	-	4,504,981	445,019	3,095,000	-	1,855,000	4,950,000	445,019 *
2020 Referendum - Smart Project	7,317,800	7,317,800	5,984,937	385,581	-	6,370,518	947,282	4,450,000	-	2,109,400	6,559,400	188,882 *
Net Zero	100,000	100,000	100,000	-	-	100,000	-	-	-	100,000	100,000	-
2019-2020 Capital Project	100,000	100,000	453	-	-	453	99,547	-	-	453	453	- *
2020-2021 Capital Project	100,000	100,000	36,250	-	-	36,250	63,750	-	-	100,000	100,000	63,750 *
SMART Schools Bond Act - 2019	680,866	680,899	497,801	189,277	-	687,078	(6,179)	-	687,078	-	687,078	-
Equipment Leases	-	-	-	246,255	-	246,255	-	246,255	-	-	246,255	-
<b>Total</b>	<b>\$ 13,598,666</b>	<b>\$ 13,598,699</b>	<b>\$11,085,632</b>	<b>\$1,157,935</b>	<b>\$ 51,968</b>	<b>\$ 12,295,535</b>	<b>\$ 1,549,419</b>	<b>\$8,141,255</b>	<b>\$ 687,078</b>	<b>\$4,164,853</b>	<b>\$ 12,993,186</b>	<b>\$ 697,651</b>

\* Architectural and State Approved Budget Modifications for Sub-Project Reallocations  
Not Yet Finalized and Were Unavailable at this Report Date.

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS JUNE 30, 2022**

<b>Capital Assets, Net</b>	<b>\$ 41,608,310</b>
Add:	
Intangible Lease Assets, Net	<u>445,801</u>
Deduct:	
Capital Fund Payables	(24,684)
Retainage Payable	(231,930)
Premium on Bonds Payable	(1,758,038)
Short-Term Portion of Bonds Payable	(1,445,000)
Long-Term Portion of Bonds Payable	(15,190,031)
Short-Term Portion of Installment Purchase Debt Payable	(350,000)
Long-Term Portion of Installment Purchase Debt Payable	(1,020,000)
Short-Term Portion of Lease Liabilities	(176,856)
Long-Term Portion of Lease Liabilities	<u>(268,945)</u>
<b>Net Investment in Capital Assets</b>	<b><u><u>\$ 21,588,627</u></u></b>

# LANSING CENTRAL SCHOOL DISTRICT

## BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue Funds			Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	
<b>ASSETS</b>				
Cash - Unrestricted	\$ 51,656	\$ -	\$ -	\$ 51,656
Cash - Restricted	-	116,076	185,052	301,128
Receivables:				
Due from Other Funds	146,324	-	-	146,324
State and Federal Aid	995,603	124,036	-	1,119,639
Other	15,284	3,052	-	18,336
Inventories	-	23,573	-	23,573
<b>Total Assets</b>	<b>\$ 1,208,867</b>	<b>\$ 266,737</b>	<b>\$ 185,052</b>	<b>\$ 1,660,656</b>
<b>LIABILITIES</b>				
Payables:				
Accounts Payable	\$ 5,137	\$ 16,333	\$ -	\$ 21,470
Accrued Liabilities	235	1,918	-	2,153
Due to Other Funds	1,242,081	47,207	-	1,289,288
Due to Other Governments	-	254	-	254
Other Liabilities	17,638	10,204	-	27,842
<b>Total Liabilities</b>	1,265,091	75,916	-	1,341,007
<b>FUND BALANCES</b>				
Nonspendable	-	23,573	-	23,573
Restricted	-	167,248	185,052	352,300
Unassigned (Deficit)	(56,224)	-	-	(56,224)
<b>Total Fund Balance (Deficit)</b>	(56,224)	190,821	185,052	319,649
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 1,208,867</b>	<b>\$ 266,737</b>	<b>\$ 185,052</b>	<b>\$ 1,660,656</b>

# LANSING CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ 10	\$ 119	\$ 129
Miscellaneous	108,135	11,806	8,758	128,699
State Sources	130,865	10,846	-	141,711
Federal Sources	1,616,084	620,580	-	2,236,664
Sales - School Lunch	-	48,983	-	48,983
<b>Total Revenues</b>	<b>1,855,084</b>	<b>692,225</b>	<b>8,877</b>	<b>2,556,186</b>
<b>EXPENDITURES</b>				
General Support	57,300	-	-	57,300
Instruction	1,705,819	274,346	1,250	1,981,415
Pupil Transportation	17,122	-	-	17,122
Community Services	116,495	-	-	116,495
Employee Benefits	63,715	79,998	-	143,713
Cost of Sales	-	209,992	-	209,992
<b>Total Expenditures</b>	<b>1,960,451</b>	<b>564,336</b>	<b>1,250</b>	<b>2,526,037</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(105,367)</b>	<b>127,889</b>	<b>7,627</b>	<b>30,149</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Operating Transfers In	116,241	-	-	116,241
Operating Transfers (Out)	(15,223)	(11,689)	-	(26,912)
<b>Total Other Sources (Uses)</b>	<b>101,018</b>	<b>(11,689)</b>	<b>-</b>	<b>89,329</b>
Net Change in Fund Balances	(4,349)	116,200	7,627	119,478
Fund Balances (Deficit) - Beginning of Year	(51,875)	74,621	177,425	200,171
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ (56,224)</b>	<b>\$ 190,821</b>	<b>\$ 185,052</b>	<b>\$ 319,649</b>

**INDEPENDENT AUDITORS' 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***

Board of Education  
Lansing Central School District  
Lansing, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lansing Central School District (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 26, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001.

### **The School District's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 26, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE**

Board of Education  
Lansing Central School District  
Lansing, New York

**Report on Compliance for Each Major Federal Program**

We have audited Lansing Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

**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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the School District's federal programs.

### **Auditors' 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 the 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 GAAS, *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 the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses 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.

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.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 26, 2022

# LANSING CENTRAL SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN #	Pass - Through Grantor #	Pass - Through to Subrecipients	Expenditures
<b>U.S. Department of Education</b>				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021223380	\$ -	\$ 168,050
Education Stabilization Funds (ESF)				
(COVID-19) Governor's Emergency Education Relief Fund	84.425C	5896213380	-	35,846
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5890213380	-	981
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5891213380	-	303,461
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880213380	-	461,850
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5882213380	-	28,266
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5883213380	-	17,100
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5884213380	-	167,602
(COVID-19) American Rescue Plan - Universal Pre-K	84.425U	5870229159	-	107,999
Total ESF			-	1,123,105
Supporting Effective Instruction State Grants	84.367	0147223380	-	32,619
Title IV Student Support and Academic Enrichment Program	84.424	0016223380	-	10,505
Special Education Cluster:				
Special Education - Grants to States	84.027	0032220985	-	277,587
Special Education - Preschool Grants	84.173	0033220985	-	5,199
Total Special Education Cluster			-	282,786
<b>Total U.S. Department of Education</b>				
			-	1,617,065
<b>U.S. Department of Agriculture</b>				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(1)	-	141,534
National School Lunch Program	10.555	(1)	-	432,348
Summer School Lunch Program	10.559	(1)	-	19,411
<b>Total Child Nutrition Cluster</b>			-	593,293
Direct Programs				
(COVID-19) State Pandemic EBT Food Benefits (P-EBT) Administrative Costs Grant	10.649	N/A	-	27,287
<b>Total U.S. Department of Agriculture</b>				
			-	620,580
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 2,237,645</b>

(1) Denotes - Unable to Obtain from Pass-Through Entity

*See Notes to Schedule of Expenditures of Federal Awards*

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2022**

***Note 1***     **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the Lansing Central School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

***Note 2***     **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore some amounts presented in this schedule may differ from amounts presented in, or used in, preparation of the financial statements.

***Note 3***     **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

***Note 4***     **Matching Costs**

Matching costs, such as the School District's share of certain program costs, are not included in the reported expenditures.

***Note 5***     **Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a “non-monetary program.” During the year ended June 30, 2022, the School District received \$40,883 worth of commodities under the National School Lunch Program (ALN #10.555).

***Note 6***     **Subrecipients**

No amounts were provided to subrecipients.

***Note 7***     **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with Federal Funds. Any equipment purchased with Federal Funds has only a nominal value and is covered by the School District’s casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

# LANSING CENTRAL SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

### Section I Summary of Auditors' Results:

#### *Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      yes   √   no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?      yes   √   none reported

Noncompliance material to financial statements noted?   √   yes      no

#### *Federal Awards*

Internal control over major programs:

Material weakness(es) identified?      yes   √   no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?      yes   √   none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?      yes   √   no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425C/D/U</u>	<u>Education Stabilization Funds</u>

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk?      yes   √   no

# ***LANSING CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022**

### **Section II Financial Statement Findings:**

#### **2022-001 Fund Balance Limitation**

At June 30, 2022, unassigned fund balance in the General Fund was \$337,794 in excess of the allowable limits.

**Criteria:**

The School District is allowed, under New York State Real Property Tax Law (§1318), to retain up to 4% of the succeeding year's budget in unassigned fund balance.

**Cause:**

The School District did not spend \$312,043 of its 2021-2022 appropriations. Additionally, the School District received \$305,735 more in revenue than budgeted.

**Effect:**

The School District is not in compliance with New York State Real Property Tax Law (§1318).

**Repeat Finding:**

This was reported as finding 2021-001 in the prior year.

**Recommendation:**

We recommend continued formal long-term (three to five years) budgetary planning in conjunction with the annual budgetary process. We also recommend current fund balance reserve accounts be reviewed to determine appropriate levels from both a short-term and long-term planning perspective. As part of the budgeting process, we recommend the School District estimate the amount of unassigned fund balance anticipated at year end in order to determine amounts which should be used to reduce the tax levy in accordance with New York State Real Property Tax Law (§1318).

**Managements Response:**

The School District has reviewed the existing reserve funds for appropriate funding levels and the Board of Education has provided authorization to set aside additional funds in the subsequent year to provide for the School Districts future capital needs which will reduce the surplus funds to the allowable level.

### **Section III Federal Award Findings and Questioned Costs: None.**