

FORT PLAIN CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2022

FORT PLAIN CENTRAL SCHOOL DISTRICT

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Cwynar, Farrow & Locke

Certified Public Accountants
A Professional Limited Liability Company

43 South Broad Street
Norwich, New York 13815
607.334.3838 voice
www.cwynar.com

Independent Auditors' Report

To the Board of Education
Fort Plain Central School District
Fort Plain, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information be presented to supplement the basic financial statements (see table on contents). Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fort Plain Central School District's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2022, on our consideration of the Fort Plain Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Fort Plain Central School District's internal control over financial reporting and compliance.



Norwich, New York

Management's Discussion and Analysis

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FORT PLAIN CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis For the year ended June 30, 2022

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. The section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government wide and fund based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

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

	<u>Fund Financial Statements</u>		
	<u>District-Wide</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/ deferred outflows of resources/ liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter, no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

FORT PLAIN CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis For the year ended June 30, 2022

District-Wide Statements

The district wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets, 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 statements report the District's net position and how it has changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the District's financial health or position.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-2 Changes in Net Position (in thousands of dollars)

	Governmental Activities and total District			Percentage Change
	2021	2022	Increase (Decrease)	
Current and Other Assets.....	\$ 11,367	\$ 13,615	\$ 2,248	
Capital Assets.....	28,555	28,308	(247)	
Total Assets.....	39,922	41,923	2,001	
Deferred Outflows of Resources.....	14,011	11,914	(2,097)	
Total Assets and Deferred Outflows.....	<u>53,932</u>	<u>53,837</u>	<u>(95)</u>	-0.2%
Long-term Liabilities.....	64,486	45,325	(19,161)	
Other Liabilities.....	1,554	1,253	(300)	
Total Liabilities.....	66,040	46,579	(19,461)	
Deferred Inflows of Resources.....	5,961	22,111	16,150	
Total Liabilities and Deferred Inflows.....	<u>72,000</u>	<u>68,689</u>	<u>(3,311)</u>	-4.6%
Net Position				
Net investment in Capital Assets.....	12,944	13,656	712	
Restricted.....	5,785	9,003	3,217	
Unrestricted.....	(36,798)	(37,511)	(713)	
Total Net Position.....	<u>\$ (18,068)</u>	<u>\$ (14,853)</u>	<u>\$ 3,216</u>	-17.8%

Analysis of Net Position

Net Position may serve as a useful indicator of the district's financial position. At the end of fiscal year 2022, the District's total assets and deferred outflows were less than total liabilities and deferred inflows resulting in a negative Net Position.

The largest portion of the negative net position is a result of recognition of Other Post Employment Benefit Liability for retiree health care benefits. Net Position also reflects the District's investment in capital assets which increased for building projects. Capital assets are used to provide educational services, they are not available for future spending.

Long-term bonds payable decreased for principal payments made of \$1,170,000. Resources required to pay debt must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

Figure A-3 Changes in Net Position from Operating Results (in thousands of dollars)

	Governmental Activities and total District			Percentage Change
	2021	2022	Increase (Decrease)	
Revenues				
Program Revenues				
Charges for Services.....	\$ 14	\$ 17	\$ 3	
Operating Grants and Contributions.....	1,466	1,461	(5)	
Capital Grants.....	-	-	-	
General Revenues				
Property Taxes.....	5,775	5,784	9	
State Formula Aid.....	14,010	15,279	1,270	
Interest Earnings.....	19	12	(7)	
Other.....	914	3,144	2,229	
	<u>22,198</u>	<u>25,696</u>	<u>3,498</u>	15.8%
Expenses				
General Support.....	3,608	3,043	(565)	
Instruction.....	19,332	17,630	(1,702)	
Student Transportation.....	1,869	1,505	(363)	
Community Services.....	42	75	33	
Debt Service - Interest.....	381	493	112	
Depreciation.....	-	-	-	
Cost of Sales - Food.....	646	674	28	
	<u>25,877</u>	<u>23,420</u>	<u>(2,457)</u>	-9.5%
Change in Net Position.....	<u>\$ (3,679)</u>	<u>\$ 2,276</u>	<u>5,955</u>	

Analysis of Changes in Net Position

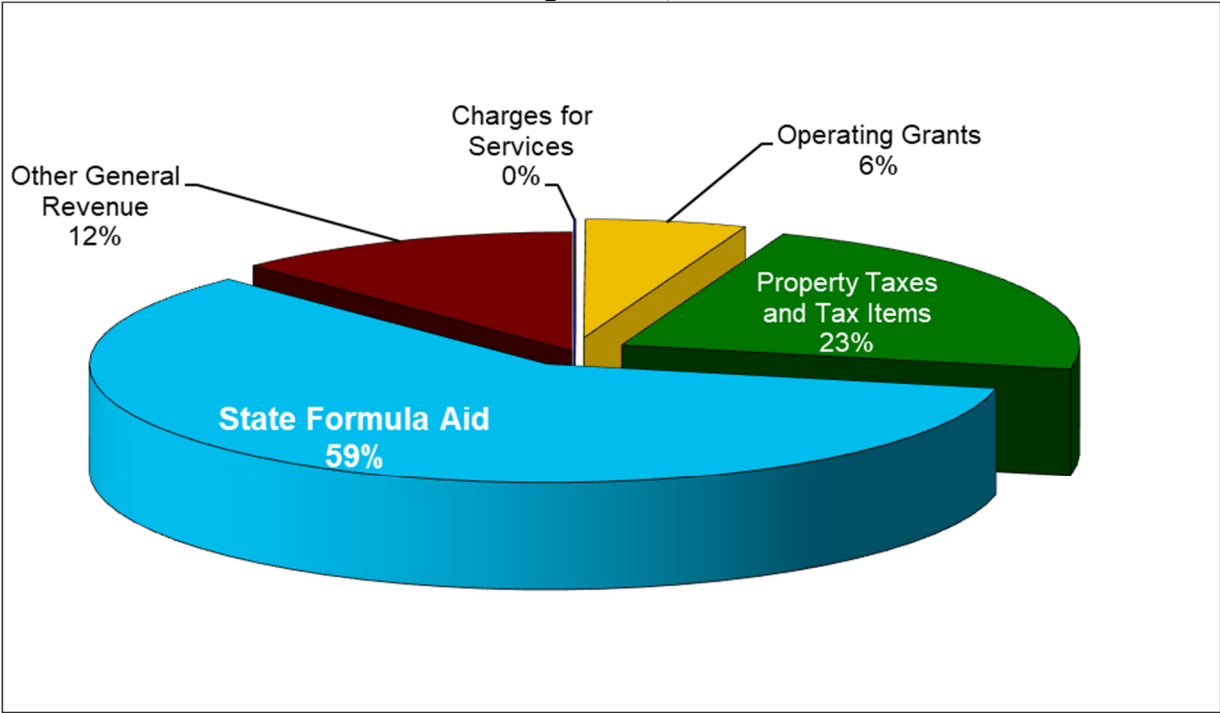
Expenses are presented in functional categories. The school district's primary function is to provide educational services for district students. Program Revenues are specific program charges, grant money and contribution dollars received that directly related to a specific program. Generally, if the specific program cost was not incurred the program revenue would not be received. General Revenues are provided by taxpayers for the general operation of the district. The two largest general revenues come from the Formula Aid provided by the State of New York, and Property Taxes provided by the district's residential and commercial property owners.

FORT PLAIN CENTRAL SCHOOL DISTRICT

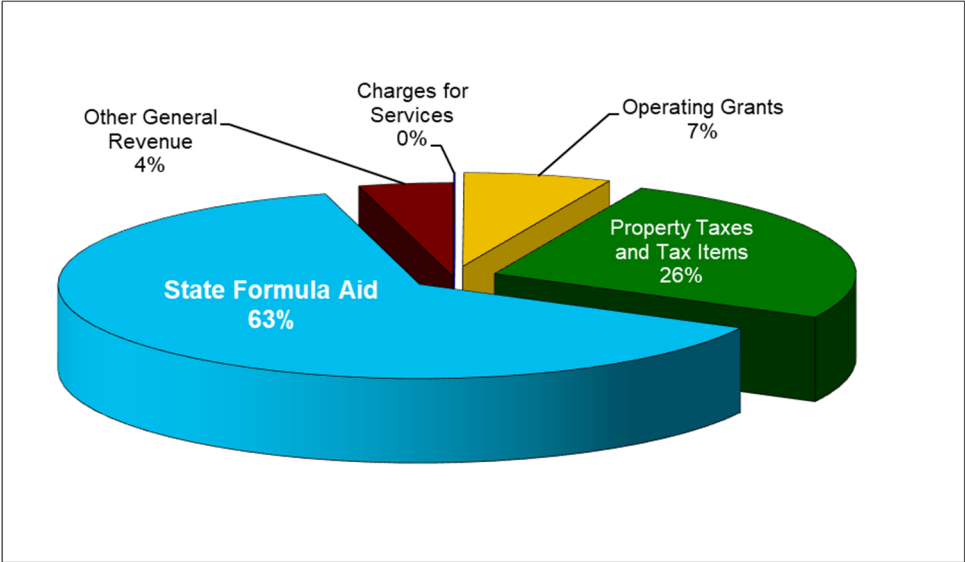
Management's Discussion and Analysis
For the year ended June 30, 2022

A graphic display of the Sources of Revenues for the two years as follows:

Sources of Revenues for Fiscal Year ending June 30, 2022



Sources of Revenues for Fiscal Year Ending June 30, 2021

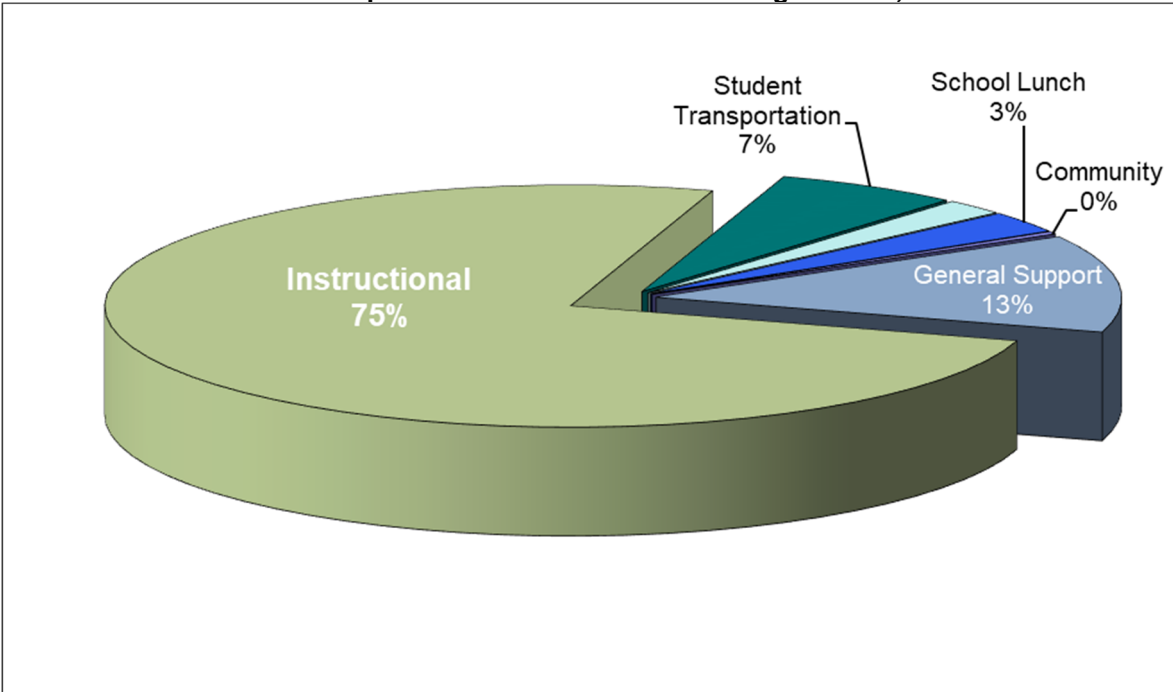


FORT PLAIN CENTRAL SCHOOL DISTRICT

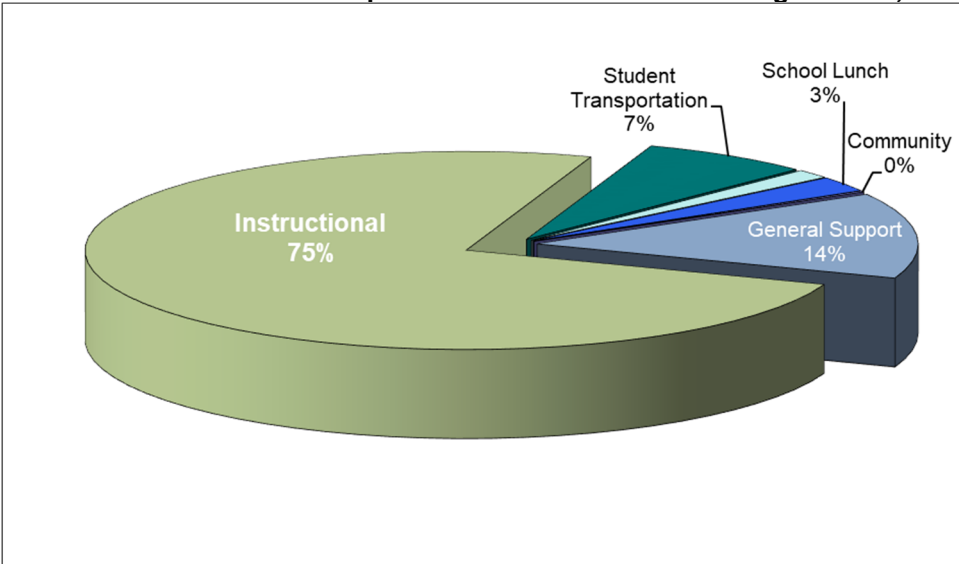
Management's Discussion and Analysis
For the year ended June 30, 2022

A graphic display of the Functional Distribution of Expenditures for the two years as follows:

Functional Distribution of Expenditures for Fiscal Year ending June 30, 2022



Functional Distribution of Expenditures for Fiscal Year ending June 30, 2021



FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2022, the District governmental funds reported a combined fund balance of \$12,378,459. A summary of the changes in fund balances is as follows:

General Fund	2021	2022	Increase (Decrease)
Restricted for:			
Workers' compensation.....	\$ 246,631	\$ 223,551	\$ (23,080)
Unemployment insurance.....	430,000	450,000	20,000
Retirement contributions for Employees.....	657,904	1,123,015	465,111
Retirement contributions for Teachers.....	448,209	602,189	153,980
Liability Claims.....	-	-	-
Tax Certiorari.....	-	-	-
Employee benefit accrued liability.....	1,049,923	1,094,405	44,482
Capital	2,952,733	5,198,453	2,245,720
Repairs.....	-	200,000	200,000
Other.....	-	-	-
Assigned to:			
Encumbrances.....	259,248	469,628	210,380
Appropriated for subsequent year's budget.....	500,000	175,000	(325,000)
Unassigned.....	875,000	900,800	25,800
	<u>7,419,648</u>	<u>10,437,041</u>	<u>3,017,393</u>
Special Aid Funds			
Restricted for:			
Grants.....	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
School Foodservice Fund			
Not in spendable form:			
Inventory.....	10,113	10,234	121
Assigned to:			
Encumbrances.....	-	111,119	111,119
Appropriations.....	165,548	22,472	(143,076)
	<u>175,661</u>	<u>143,825</u>	<u>(31,836)</u>
Debt Service Fund			
Assigned to:			
Debt service reserve.....	-	-	-
Appropriations.....	1,464,489	1,464,489	-
	<u>1,464,489</u>	<u>1,464,489</u>	<u>-</u>
Capital Projects Fund			
Assigned to:			
Appropriations.....	775,520	333,104	(442,416)
	<u>775,520</u>	<u>333,104</u>	<u>(442,416)</u>
	<u>\$ 9,835,318</u>	<u>\$ 12,378,459</u>	<u>\$ 2,543,141</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

Management’s Discussion and Analysis
For the year ended June 30, 2022

General Fund Budgetary Highlights

The District tries to balance the needs of our students with that of taxpayers. For the 2022 fiscal year, the District had a modest tax increase and taxes collected agreed to budgeted levels. A reduction in state source income was partially offset by an increase in Federal sourced income.

Actual expenses for the year came in under budget by \$2.2 million. The General Support variance is primarily a result of lockdown mandates for the COVID-19 pandemic. Expenditures were lower for fuel oil, electricity, contractual and wages during the year. Instructional expenses were \$1.3 million less than budget, savings of \$518 thousand came from the area of Special Education. Student placements and needs will fluctuate from year to year, causing difficulty budgeting. Expenditures for instructional salaries were less, student tuition and BOCES services were also under budget. Pupil transportation was under budget by \$462 thousand. Employee benefits were under budget by \$612 thousand in total. However capital expenditures necessitated by the COVID-19 pandemic caused \$300 thousand to be expensed in addition to the budget.

During the fiscal year, the Board of Education authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law. A schedule showing the original budget, the changes and the final budget amounts is as follows:

Change from adopted Budget to Revised Budget

Adopted Budget.....	\$ 21,875,000
Add: Prior year encumbrances.....	259,248
Original Budget.....	22,134,248
Budget revision:	
Gifts and donations.....	-
Grants.....	-
State Aid revisions and adjustments.....	-
Final Budget.....	<u>\$ 22,134,248</u>
Next year's voter approved budget.....	<u>\$ 22,520,000</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the year ended June 30, 2022

In addition, the district is subject to compliance with fund balance limits. Section 1318 of the New York State Real Property Tax Law limits the carryover of unassigned fund balance. The following is a calculation of compliance with that carryover:

Section 1318 of Real Property Tax Law Limit Calculation:

Subsequent year's voter-approved budget.....	\$ 22,520,000
Maximum allowed percentage carryover.....	4.0%
Limit of unexpended surplus funds.....	<u>900,800</u>
General Fund balance.....	10,437,041
Deductions:	
Restricted funds are not subject to the law.....	(8,891,613)
Appropriations for subsequent year's budget already assigned.....	(175,000)
Encumbrances included in assigned.....	<u>(469,628)</u>
General Fund balance subject to the limit.....	<u>900,800</u>
Amount of carryover over the limit.....	\$ -
Actual percentage.....	<u>4.0%</u>

Change in General Fund's Unassigned Fund Balance

Opening unassigned fund balance.....	\$ 875,000
Revenues.....	21,201,349
Expenditures.....	(16,300,664)
Other financing sources.....	12,934
Other financing uses.....	(1,896,227)
Net (increase) decrease in restricted fund balances.....	(3,106,213)
Net (increase) decrease in assigned fund balances.....	<u>114,620</u>
Closing unassigned fund balance.....	<u>\$ 900,800</u>

The opening unassigned fund balance is the portion of the District's June 30, 2021 carryover funds that were not specifically identified to a budget category. This was 4 percent of the District's approved fiscal 2022 operating budget.

Based on the summary of changes shown above, the District will begin the next fiscal year with an unassigned fund balance of \$901 thousand or 4.0 percent of the 2023 approved operating budget.

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

General Fund Balance

Total general fund balance is divided into Restricted, Assigned, and Unassigned. Restricted fund balance amounts are to be used for a specific purpose as defined by a law or a contract such as a grant or a loan agreement. Assigned amounts are set aside by the district for a specific purpose such as reduction of the expenditures that indirectly effect the general property taxes levied. Unassigned fund balance amounts are available for general government purposes. The following is a schedule of the changes in the components of fund balance:

General Fund	2021	2022	Increase (Decrease)
Restricted for:			
Workers' compensation.....	\$ 246,631	\$ 223,551	\$ (23,080)
Unemployment insurance.....	430,000	450,000	20,000
Retirement contributions for Employees.....	657,904	1,123,015	465,111
Retirement contributions for Teachers.....	448,209	602,189	153,980
Liability Claims.....	-	-	-
Tax Certiorari.....	-	-	-
Employee benefit accrued liability.....	1,049,923	1,094,405	44,482
Capital	2,952,733	5,198,453	2,245,720
Repairs.....	-	200,000	200,000
Other.....	-	-	-
Assigned to:			
Encumbrances.....	259,248	469,628	210,380
Appropriated.....	-	-	-
Appropriated for subsequent year's budget.....	500,000	175,000	(325,000)
Unassigned.....	875,000	900,800	25,800
	<u>\$ 7,419,648</u>	<u>\$ 10,437,041</u>	<u>\$ 3,017,393</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had invested \$28 million in a broad range of capital assets, including land, land improvements, buildings, furniture, equipment and vehicles. Depreciation expense for the year was \$1.3 million. The following schedule is the net value of these assets, which includes additions, retirements, sales, and depreciation. Additional detail information is included in the notes to the financial statement.

Capital Assets (Net of Depreciation) (in thousands)

	Governmental Activities and total School District		Change
	2021	2022	
Land parcels.....	\$ 118	\$ 118	
Construction in progress.....	10,158	10,896	
Outdoor improvements.....	1,238	1,038	
Buildings.....	15,596	14,857	
Machinery and equipment.....	293	215	
Licensed vehicles.....	1,152	1,184	
Total.....	\$ 28,555	\$ 28,308	-0.9%

Debt Administration

The District has outstanding debt in serial bonds used for capital projects and other post-employment benefits that will be paid for post-employment health insurance. Additional detail information is included in the financial statement.

Outstanding Long-Term Debt (in thousands)

	Total School District		Change
	2021	2022	
General Obligation Bonds.....	\$ 16,386	14,985	
Compensated absences.....	742	786	
Other post employment benefits.....	46,160	37,468	
Net pension liability.....	1,198	(7,914)	
Total.....	\$ 64,486	\$ 45,325	-29.7%

Total outstanding debt includes all bonds and any installment loans, compensated absences due to employees when they separate service, post-employment benefits for health insurance, and net pension liability payable to all the employee retirement systems. The district has paid \$890 thousand in principal and \$372 thousand in interest on its outstanding bonds. The constitutional debt limit allows the district to have outstanding debt equal to or less than 10 percent of the full value on the most recent tax roll.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis For the year ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE

The district will continue to fund reserves to adequate levels in preparation of years to come.

The district will continue to seek alternative sources of funding in order to offset the exhaustion of various streams of existing Federal and State funding.

The Property Tax Cap legislation has limited tax levy increases to 2% after allowable adjustments. If property taxes are required to be increase above that limit a 2/3 majority vote would be required by district taxpayers to pass the budget. The Board of Education will work to keep below the 2% cap, as they have in previous years.

The economy is a very important consideration in all current and future fiscal analysis that is provided to the community. As all businesses are concerned about the current economic conditions in New York State so is the Board of Education of the Fort Plain Central School District. Changes in economic conditions has impacted tax revenues and the amount of state aid the district will receive in the future.

The cost of employee benefits continues to be a major budgetary factor for Fort Plain Central School District and all school districts. There continues to be rapid growth in the cost of health insurance. To offset this factor, the district continues to explore more cost-effective programs to deliver health insurance benefits. The rising costs of funding the Teachers' Retirement System and Employees' Retirement System are projected to have significant budgetary impact in the near to intermediate future.

The COVID 19 pandemic will have long-lasting effects on the national and state economy as well as the district's outlook. The district is well positioned to mitigate the negative impact of State Aid losses for the current year.

Because of the district's reliance on New York State Aid, the district will be faced with ongoing reductions in all budget categories to be able to reach a balanced budget for the next several years.

The Fort Plain Central School District has worked with an actuarial firm to project long-term liabilities for retiree health insurance coverage (as afforded by contract) and continues to fund reserves for anticipated retirement incentive costs.

The Board of Education and the Superintendent are providing outstanding leadership in balancing the educational needs of the students with available financial and human resources.

The superintendent, district treasurer, claims auditor and new Board of Education members continue to attend workshops and training on fiscal management.

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2022**

REQUESTS FOR INFORMATION

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

Business Manager
Fort Plain Central School District
25 High Street
Fort Plain, New York 13339

Basic Financial Statements

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Statement of Net Position
June 30, 2022**

ASSETS	
Cash	
Unrestricted.....	\$ 4,673,845
Restricted.....	7,993,151
Receivables	
Accounts receivable.....	655,764
State and federal aid receivable.....	282,078
Inventories.....	
	10,234
Net pension assets, proportionate share.....	
	7,913,875
Capital assets, net.....	
	28,307,782
	<u>49,836,729</u>
DEFERRED OUTFLOW OF RESOURCES	
Pensions.....	
	4,436,805
Retiree health insurance benefits.....	
	7,469,093
Defeasance loss.....	
	7,844
	<u>11,913,742</u>
LIABILITIES	
Payables	
Accounts payable.....	88,553
Accrued expenses.....	73,123
Deferred revenues.....	3,701
Student deposits.....	65,193
Due To	
Other Governments.....	99
Teachers' Retirement System.....	785,042
Employees' Retirement System.....	224,603
Bond interest and matured bonds.....	16,754
Long-term liabilities	
Due and payable within one year	
Bonds payable.....	1,300,000
Due and payable after one year	
Bonds payable.....	13,684,853
Compensated absences payable.....	786,461
Other postemployment benefits payable.....	37,467,949
Net pension liability, proportionate share.....	-
	<u>54,496,331</u>
DEFERRED INFLOW OF RESOURCES	
Pensions.....	
	12,122,485
Retiree health insurance benefits.....	
	9,988,002
	<u>22,110,487</u>
NET POSITION	
Investment in capital assets, net of related debt.....	
	13,656,033
Restricted.....	
	9,002,732
Unrestricted (deficit).....	
	(37,515,112)
	<u>\$ (14,856,347)</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Statement of Net Activities and Changes in Net Position
For the year ended June 30, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS				
General support.....	\$ 3,043,278	\$ -	\$ -	\$ (3,043,278)
Instruction.....	16,691,447	7,220	920,586	(15,763,641)
Pupil transportation.....	1,504,180	4,578	-	(1,499,602)
Community.....	75,149	-	-	(75,149)
Debt service interest.....	492,914	-	-	(492,914)
Foodservice.....	673,652	4,807	540,248	(128,597)
	<u>\$ 22,480,620</u>	<u>\$ 16,605</u>	<u>\$ 1,460,834</u>	<u>(21,003,181)</u>
GENERAL REVENUES				
Real property taxes.....				4,902,538
Other tax items.....				881,411
Use of money and property.....				50,658
Sale of property and compensation for loss.....				51,105
Miscellaneous.....				370,456
State sources.....				15,275,704
Federal sources.....				2,683,358
				<u>24,215,230</u>
Change in Net Position.....				3,212,049
Total Net Position - Beginning of year.....				<u>(18,068,396)</u>
Total Net Position - End of year.....				<u>\$ (14,856,347)</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Balance Sheet – Governmental Funds
June 30, 2022**

	General	Special Aid	Food Service	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash						
Unrestricted.....	\$ 4,572,084	\$ 65,193	\$ 31,838	\$ -	\$ -	\$ 4,669,115
Restricted.....	5,873,975	326,213	-	1,395,027	402,666	7,997,881
Receivables						
Accounts receivable.....	655,465	299	-	-	-	655,764
Due from other funds.....	500,100	-	-	69,462	-	569,562
Due from fiduciary funds.....	-	-	-	-	-	-
State and federal aid receivable..	-	173,488	108,590	-	-	282,078
Due from other governments.....	-	-	-	-	-	-
Other receivables, net.....	-	-	-	-	-	-
Inventories.....	-	-	10,234	-	-	10,234
	<u>11,601,624</u>	<u>565,193</u>	<u>150,662</u>	<u>1,464,489</u>	<u>402,666</u>	<u>14,184,634</u>
LIABILITIES						
Payables						
Accounts payable.....	81,815	-	6,738	-	-	88,553
Accrued liabilities.....	73,123	-	-	-	-	73,123
Student deposits.....	-	65,193	-	-	-	65,193
Due to:						
Other funds.....	-	500,000	-	-	69,562	569,562
Due to fiduciary funds.....	-	-	-	-	-	-
Other governments.....	-	-	99	-	-	99
Teachers' Retirement System....	785,042	-	-	-	-	785,042
Employees' Retirement System.	224,603	-	-	-	-	224,603
Short-Term Notes Payable						
Bond Anticipation Note.....	-	-	-	-	-	-
Overpayments.....	-	-	-	-	-	-
Deferred revenues.....	-	-	-	-	3,701	3,701
	<u>1,164,583</u>	<u>565,193</u>	<u>6,837</u>	<u>-</u>	<u>73,263</u>	<u>1,809,876</u>
FUND BALANCES						
Nonspendable.....	-	-	10,234	-	-	10,234
Restricted.....	8,891,613	-	111,119	-	-	9,002,732
Unrestricted.....	1,545,428	-	22,472	1,464,489	329,403	3,361,792
	<u>10,437,041</u>	<u>-</u>	<u>143,825</u>	<u>1,464,489</u>	<u>329,403</u>	<u>12,374,758</u>
	<u>\$11,601,624</u>	<u>\$ 565,193</u>	<u>\$ 150,662</u>	<u>\$ 1,464,489</u>	<u>\$ 402,666</u>	<u>\$ 14,184,634</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental funds
For the year ended June 30, 2022**

	<u>General</u>	<u>Special Aid</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES						
Real property taxes.....	\$ 4,902,538	\$ -	\$ -	\$ -	\$ -	\$ 4,902,538
Other tax items.....	881,411	-	-	-	-	881,411
Charges for services.....	11,798	-	-	-	-	11,798
Use of money and property.....	12,959	-	-	-	-	12,959
Sale of property and compensation for loss.....	52,901	-	-	-	-	52,901
Miscellaneous.....	108	-	37,699	-	290	38,097
Local sources.....	370,058	-	-	-	-	370,058
State sources.....	14,692,602	454,613	10,130	-	118,359	15,275,704
Medicaid reimbursement.....	59,851	-	-	-	-	59,851
Federal sources.....	217,124	920,586	540,248	-	-	1,677,958
Sales - school foodservices.....	-	-	4,807	-	-	4,807
Total revenues.....	<u>21,201,350</u>	<u>1,375,199</u>	<u>592,884</u>	<u>-</u>	<u>118,649</u>	<u>23,288,082</u>
EXPENDITURES						
General support.....	2,335,788	-	-	-	-	2,335,788
Instruction.....	8,393,373	1,348,942	-	-	-	9,742,315
Pupil transportation.....	890,927	13,323	-	-	-	904,250
Community service.....	75,149	-	-	-	-	75,149
Employee benefits.....	4,274,437	-	77,290	-	-	4,351,727
Debt service						
Principal.....	-	-	-	1,170,000	-	1,170,000
Interest.....	-	-	-	726,227	-	726,227
Cost of sales.....	-	-	537,360	-	-	537,360
Capital outlay.....	330,990	-	10,070	-	564,766	905,826
Total expenditures.....	<u>16,300,664</u>	<u>1,362,265</u>	<u>624,720</u>	<u>1,896,227</u>	<u>564,766</u>	<u>20,748,642</u>
	<u>4,900,686</u>	<u>12,934</u>	<u>(31,836)</u>	<u>(1,896,227)</u>	<u>(446,117)</u>	<u>2,539,440</u>
OTHER FINANCING SOURCES AND (USES)						
Operating transfers in.....	12,934	-	-	1,896,227	-	1,909,161
Operating transfers (out).....	(1,896,227)	(12,934)	-	-	-	(1,909,161)
	<u>(1,883,293)</u>	<u>(12,934)</u>	<u>-</u>	<u>1,896,227</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances.....	3,017,393	-	(31,836)	-	(446,117)	2,539,440
Fund Balances - Beginning of year...	7,419,648	-	175,661	1,464,489	775,520	9,835,318
Fund Balances - End of year.....	<u>\$10,437,041</u>	<u>\$ -</u>	<u>\$ 143,825</u>	<u>\$1,464,489</u>	<u>\$ 329,403</u>	<u>\$ 12,374,758</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

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

Amounts reported for governmental activities in the statement of net position are different due to the following:

Total fund balances - governmental funds.....	\$	12,374,758
<p>Capital assets are used in governmental activities are not financial resources and, therefore, are not reported in governmental funds</p>		
Net capital assets recorded in statement of net position.....		28,307,782
<p>Defeasance losses from refunding of debt are recorded as an expenditure in governmental activities, but a deferred outflow of resources and amortized over the life of the refunding bond in the statement of net position.</p>		
This is the remaining balance on those losses.....		7,844
<p>Proportionate share of long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in governmental funds:</p>		
Net pension asset.....		7,913,875
Deferred outflows.....		4,436,805
Deferred inflows.....		(9,988,002)
<p>Other post employment liabilities associated with contractual obligations to retired employees are not current financial resources or obligations and are not reported in governmental funds:</p>		
Other Post Employment Benefits.....		(37,467,949)
Deferred outflows.....		7,469,093
Deferred inflows.....		(12,122,485)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:</p>		
Compensated Absences.....		(786,461)
Serial Bonds.....		(14,984,853)
Accrued Interest on Long Term Debt.....		(16,754)
Net Position of Governmental Activities.....	\$	<u>(14,856,347)</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Reconciliation of Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2022**

Amounts reported for governmental activities in the statement of activities are different due to the following:

Net Changes in Fund Balance - Total Governmental Funds..... \$ 2,539,440

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown as assets in the statement of net position and depreciation is allocated over their useful lives.

Depreciation expense.....	(1,314,479)
Capital outlays.....	1,069,564

Proceeds from the sale of assets are recorded as revenue in the governmental funds, while only the net gain or loss on the sale is reported in the statement of activities.

Net gain or loss on sale of fixed assets.....	(1,796)
---	---------

Changes in proportionate share of net pension asset/liability reported in the statement of activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the government funds.

Teachers' retirement system.....	1,131,480
Employees' retirement system.....	260,687

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 governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of Bond Principal.....	1,170,000
Serial Bond Premium.....	227,907

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in Compensated Absences.....	(44,481)
Change in Other Post Employment Benefits Payable.....	(1,831,679)
Change in accrued Interest.....	5,406
Change in Net Position - Governmental Activities.....	\$ 3,212,049

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Statement of Fiduciary Net Position
June 30, 2022**

	Private Purpose Trusts
	<u> </u>
ASSETS	
Cash and cash equivalents.....	\$ 166,894
	<u>166,894</u>
LIABILITIES	
Accounts payable.....	-
Due to governmental funds.....	-
	<u> </u>
NET POSITION	
Reserved for scholarships.....	\$ 166,894
	<u>166,894</u>

**Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2022**

	Private Purpose Trusts
	<u> </u>
ADDITIONS	
Investment earnings.....	\$ 639
Gifts and Contributions.....	29,580
	<u>30,219</u>
DEDUCTIONS	
Scholarships.....	11,055
Change in Net Position.....	19,164
Net Position - Beginning of year.....	147,730
Net Position - End of Year.....	\$ 166,894
	<u>166,894</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Certain significant accounting principles and policies utilized by the district are described below:

A) Reporting Entity

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

The reporting entity of the district is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1) Extra Classroom Activity Funds

The Extra Classroom Activity Funds of the District represent funds of the students of the district. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the district with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extra Classroom Activity Funds are included with this report. The district accounts for assets held as an agent for various student organizations in an agency fund.

2) Scholarship Funds

The Scholarship Funds of the District represent funds of donors. The Board of Education exercises general oversight of these funds. These funds are independent of the district with respect to its financial transactions. Separate audited fiduciary schedules of the Scholarship Funds are included with this report. The district accounts for assets held as an agent for various student organizations in a Trust fund.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

B) Joint Venture

The District is one of several component school districts in the Hamilton Fulton Montgomery Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed \$2,891,618 for BOCES administrative and program costs and received a refund from BOCES of \$340,725 a net expenditure of \$2,550,893. Additional New York State Aid of \$1,140,697 offset the cost of these services. Financial statements for BOCES are available from the BOCES administrative office at 2755 State Highway 67, Johnstown, New York 12095 Post Office Box 665.

C) Basis of Presentation

1) District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the district's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize 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 district's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

2) Fund financial statements:

The fund statements provide information about the district's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. If some funds are treated as non-major, add "All remaining governmental funds are aggregated and reported as non-major funds."

The district reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and State grants, that are legally restricted to expenditures for specified purposes, school lunch operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

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

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

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the district as agent for various student groups or extra classroom activity funds and for payroll or employee withholding.

D) Measurement focus and basis of accounting

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

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The district considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and become a lien on August 31st. Taxes are collected beginning the first day following Labor Day until October 31st.

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

F) Restricted resources

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

G) Interfund transactions

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

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

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

H) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets 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, other postemployment benefits, potential contingent liabilities, and useful lives of long-lived assets.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

I) Cash (and cash equivalents)/Investments

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

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

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

J) Investments in Marketable Securities

Investments are accounted for in the fiduciary funds. The district carries investments in marketable securities and all debt securities with readily determinable fair values at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Fiduciary Net Position. Unrealized gains and losses are included in the change in Net Position in the accompanying Statement of Changes in Fiduciary Net Position

K) Receivable (or Accounts receivable)

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

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

M) Other assets/restricted assets

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

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

N) Capital assets

Capital assets are reported at actual cost for acquisitions after December 29, 2009. For assets acquired prior to this date, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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

<u>Classes of Capital Assets</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$10,000	Straight Line	20 - 50 Years
Furniture and Equipment	\$10,000	Straight Line	5 - 20 Years
Licensed Vehicles	\$1,000	Straight Line	8 - 12 Years

Capital assets that are not depreciated include land and construction in progress. Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The school district is required to conduct a condition assessment of these assets at least once every three years.

O) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the district's proportion of the collective net pension asset or liability and difference during the measurement period between the district's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly are the district contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has three items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the district's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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

Q) Vested employee benefits

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.

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

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

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

R) Other benefits

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 district provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the district's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The district recognizes the cost of providing health insurance by recording its share of insurance premiums as an expense.

S) Short-term debt

The district may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will receive the proceeds from the issuance of the notes. A RAN or a TAN represent a liability that will be extinguished using expendable, available resources of the fund.

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

The district may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will receive the proceeds

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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.

T) Accrued liabilities and long-term obligations

All account payable, accrued liabilities and long-term obligations are reported in the district-wide financial statement. In the governmental funds, only accounts payable and accrued liabilities that are paid in full in a timely manner from current financial resources are considered a current liability. That is, claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when the payment is due.

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

U) Equity classifications

District-wide statements

In the district-wide statements there are three classes of Net Position:

- 1) Invested in Capital Assets, Net of Related Debt – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.
- 2) Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted Net Position – reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the district.

Fund statements:

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

- 1) Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Foodservice Fund

Non-spendable in the School Foodservice fund.....	\$ <u>10,234</u>
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FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

- 2) Restricted fund balance - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Workers' compensation.....	\$	223,551
Unemployment insurance.....		450,000
Retirement contributions for Employees.....		1,123,015
Retirement contributions for Teachers.....		602,189
Liability Claims.....		-
Tax Certiorari.....		-
Employee benefit accrued liability.....		1,094,405
Capital		5,198,453
Repairs.....		200,000
Other.....		-
	\$	<u>8,891,613</u>

The School District has established the following restricted fund balances:

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

- II. Unemployment Insurance
According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the 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.

- III. Retirement Contributions
According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

- IV. Employee Benefit Accrued Liability
According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

- V. Capital
According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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.

- 3) Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The district has no committed fund balances as of June 30, 2022.
4) Assigned fund balance - Includes amounts that are constrained by the school district's intent to be used for specific purposes but are neither restricted nor committed.

Table with 2 columns: Encumbrances of the General fund, Encumbrances of the Foodservice fund, and a total of \$580,747.

Table with 2 columns: Appropriated General fund balance, Appropriated for General fund subsequent year's budget, Appropriated School Foodservice fund balance, Appropriated Special Aid fund balance, Appropriated Capital fund balance, Appropriated Debt Service fund balance, and a total of \$2,895,865.

- 5) Unassigned fund balance - Includes all other General Fund Net Position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

Spending Prioritization:

Unless the determination to use restricted, committed or assigned fund balance is made by the District prior to spending amounts on an expenditure incurred, the spending prioritization policy of the District shall be followed. In the case that expenditures are incurred for purposes for which both restricted an unrestricted fund balance is available; the District considers unrestricted amounts to have been spent. In the case that expenditures are incurred for which committed, assigned, and unassigned fund balance is available; the District considers unassigned amounts to have been spent. The specific fund balance spending prioritization of the District is as follows:

- 1. Unassigned
2. Assigned
3. Committed
4. Restricted

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

V) New Accounting Standards

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

GASB Statement No. 84, Fiduciary Activities

GASB Statement No. 90, Accounting and Financial Reporting for Majority Equity Interest

GASB Statement No. 87, Leases

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the end of a Construction Project

W) Future Changes in Accounting Standards

New GASB Standards

GASB has issued Statement 91, Conduit Debt Obligations

Effective for the
year ending:

June 30, 2023

The school district will evaluate the impact each of new GASB pronouncement on its financial statements and will implement them as applicable and when material.

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

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

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

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

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

1) Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned.

Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

2) Capital related differences:

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

3) Long-term debt transaction differences:

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

4) Pension differences:

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

5) Other Post Employment Benefit (OPEB) differences:

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

Note 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

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

1) General Fund

The voters of the district approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education because of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the dollar amount of encumbrances carried forward from the prior year.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

2) Capital Project

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the district's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

3) Special Aid Funds

Budgets are established by grantors and used for individual program fund expenditures. The maximum program amount authorized is based upon the grantor contracts and agreements not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the program.

Encumbrances

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

Note 4 CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

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

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

Uncollateralized.....	\$	-
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the district's name.....	\$	<u>12,723,612</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$7,997,881 within the governmental funds and \$166,894 in the fiduciary funds.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 5 CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land.....	\$ 117,912	-	-	\$ 117,912
Construction in progress.....	10,157,553	738,741	-	10,896,294
	10,275,465	738,741	-	11,014,206
 Capital assets that are depreciated:				
Land improvements.....	5,273,671	-	-	5,273,671
Buildings.....	30,275,968	25,844	-	30,301,812
Furniture and equipment.....	1,467,905	3,968	-	1,471,873
Licensed vehicles.....	2,051,806	292,723	-	2,344,529
	39,069,350	322,535	-	39,391,885
Less: Accumulated depreciation.....	(20,790,322)	(1,314,479)	6,492	(22,098,309)
Total depreciable and non-depreciable historical cost, net.....	\$ 28,554,493			\$ 28,307,782
 Depreciation expense was charged to governmental functions as follows:				
General support.....	\$ 369,553			
Instruction.....	682,013			
Transportation.....	260,640			
Foodservice.....	2,273			
	\$ 1,314,479			

The district does not have infrastructure assets as defined by GASB publications.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 6 LONG-TERM DEBT

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

Governmental Activities:	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Serial Bonds.....	\$ 14,725,000	\$ 7,340,000	\$ 8,510,000	\$ 13,555,000	\$ 1,300,000
Other liabilities:					
Compensated absences.....	741,980	293,044	248,563	786,461	293,000
Net pension liability(asset).....	(7,913,875)	2,323,449	9,759,410	(15,349,836)	2,323,000
Other post employment benefits.....	46,159,971	1,831,679	10,523,701	37,467,949	10,524,000
Total long-term liabilities.....	<u>\$ 18,549,159</u>	<u>\$ 11,788,172</u>	<u>\$ 29,041,674</u>	<u>\$ 36,459,574</u>	<u>\$ 14,440,000</u>

Compensated absences - represent the value of earned and unused portion of the liability for compensated absences

Net pension liability -represents the district's proportionate share of the net pension liability for the New York State pension systems determined by an actuarial valuation. (see Note 8)

Other post-employment benefits – represent actuarial valuations of an ongoing post-employment plans involving estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. (see Note 9)

The following is a summary of maturity of bond indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
Serial Bond	2017	2040	3.884%	\$ 6,470,000
Serial Bond	2021	2036	2.732%	7,085,000
				<u>\$ 13,555,000</u>

Principal and interest payments due on bonds payable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,170,000	\$ 495,371	\$ 1,665,371
2023	1,300,000	408,791	1,708,791
2024	1,355,000	364,283	1,719,283
2025	1,405,000	318,002	1,723,002
2026	585,000	259,685	844,685
2027-2031	3,470,000	1,002,365	4,472,365
2032-2036	4,320,000	490,446	4,810,446
2037-2040	1,120,000	95,856	1,215,856
	<u>\$ 14,725,000</u>	<u>\$ 3,434,799</u>	<u>\$ 18,159,799</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Interest expense on long term debt during the year was:

Interest expenditures	\$	726,227
Amortization of Serial Bond premium.....		(227,907)
Accrued interest paid from prior year.....		(22,160)
Accrued interest for the current year.....		16,754
Interest expense.....	\$	<u>492,914</u>

Note 7 INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund receivables and payables, other than between government activities and fiduciary funds, are eliminated on the statement of net position. The district typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

	Receivable	Payable	Revenue	Expense
General Fund.....	\$ 500,100	\$ -	\$ 12,934	\$ 1,896,227
Special Revenue Funds.....	-	500,000	-	12,934
Foodservice Fund.....	-	-	-	-
Debt Service Fund.....	69,462	-	1,896,227	-
Capital Projects Fund.....	-	69,562	-	-
Total Government activities.....	<u>569,562</u>	<u>569,562</u>	<u>1,909,161</u>	<u>1,909,161</u>
Fiduciary Funds.....	-	-	-	-
Total.....	<u>\$ 569,562</u>	<u>\$ 569,562</u>	<u>\$ 1,909,161</u>	<u>\$ 1,909,161</u>

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

Note 8 PENSION PLANS

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

1) *Provisions and administration:*

- a) *Teachers' Retirement System (TRS):* The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. 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 Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

b) *Employees' Retirement System (ERS)*: The District participates in the New York State and Local Employees' Retirement System. This is a cost sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The district also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

a) The district's share of the required contributions, based on covered payroll paid for the district's year ended June 30, was:

Contributions	ERS	TRS
2022	304,334	694,096
2021	294,974	648,599
2020	289,477	772,138

b) The district contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

3) *Pension Liabilities, Pension Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*

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

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date.....	4/1/2021	6/30/2021
Net pension liability (asset).....	\$ (477,914)	\$ (7,435,961)
District's portion of the Plan's total net pension liability (asset).....	0.005846%	0.042910%

- b) For the year ended June 30, 2022, the district's recorded a pension expense of \$ for ERS and \$#VALUE! for TRS. At June 30, 2022 the district's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience.....	\$ 36,193	\$ 1,024,968	\$ 46,945	\$ 38,633
Changes of assumptions.....	797,585	2,445,843	13,458	433,123
Net difference between projected and actual earnings on pension plan investments.....	-	-	1,564,969	7,782,503
Changes in proportion and differences between the District's contributions and proportionate share of contributions.....	102,145	30,071	70,358	38,013
District's contributions subsequent to the measurement date.....	-	-	-	-
	<u>\$ 935,923</u>	<u>\$ 3,500,882</u>	<u>\$ 1,695,730</u>	<u>\$ 8,292,272</u>

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

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2023	\$ (101,531)	\$ (970,595)
2024	(160,972)	(1,131,830)
2025	(404,361)	(1,421,729)
2026	(92,941)	(1,873,085)
2027	-	356,875
2028	-	248,974
Thereafter		

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

d) Actuarial Assumptions

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

	ERS	TRS
Measurement date	3/31/2022	6/30/2021
Actuarial valuation date	4/1/2021	6/30/2020
Inflation	2.70%	2.40%
Salary increases	4.40%	5.2 - 2.0%
Investment rate of return	5.90%	7.00%
Cost-of-living adjustments	1.40%	1.30%
Decrement tables	MP2020	MP2020

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2019.

For ERS, the actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

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

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Measurement date	ERS		TRS	
	3/31/2022		6/30/2021	
		long-term		long-term
Asset Class:	Target allocation	expected real rate of return	Target allocation	expected real rate of return
Domestic equities	32%	3.30%	33%	6.80%
International equities	15%	5.90%	16%	7.60%
Global equities	-	-	4%	7.10%
Private equity	10%	6.50%	8%	10.00%
Real estate	9%	5.00%	11%	6.50%
Opportunistic portfolio	3%	4.10%	-	-
Credit	4%	3.80%		
Real assets	3%	5.80%	-	-
Fixed income	23%	0.00%	16%	1.80%
Private debt	-	-	1%	5.90%
Global bond income	-	-	2%	0.80%
Real estate mortgages	-	-	7%	3.30%
High-yield bond income	-	-	1%	3.80%
Cash	1%	-1.00%	1%	0.00%
	100%		100%	

Discount Rate: The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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

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

ERS	1% Decrease (5.8%)	Current Assumption (5.9%)	1% Increase (7.8%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,844,055	\$ 6,644	\$ (1,687,879)

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 7,528,181	\$ 1,191,799	\$ (4,126,032)

5) 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)

Valuation date	ERS	TRS	Total
	3/31/2021	6/30/2020	
Employers' total pension liability	\$ 220,680,157	\$ 123,242,776	\$ 343,922,933
Fiduciary net position	220,580,583	120,479,505	341,060,088
Employers' net pension liability	\$ 99,574	\$ 2,763,271	\$ 2,862,845
Ratio of plan net position to the Employers' total pension liability	99.95%	97.76%	99.17%

6) Other items

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2022 is \$189,813 for ERS and \$648,599 for TRS.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9 POST-EMPLOYMENT BENEFITS

The District provides post-employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

1) General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - The school district provides medical, dental and vision benefits to its retired employees and their spouses. Employees are eligible for these benefits upon retirement at age 55 or over with at least 10 years of service. The benefits provided to employees are based on the provisions of various contracts that the district has in place.

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

Inactive Members or Beneficiaries Currently Receiving Benefits.....	111
Inactive Employees Entitled to but not yet Receiving Benefits.....	-
Active Members.....	<u>151</u>
	262

2) Total OPEB Liability

The District's total OPEB liability of \$37,467,949 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs – The actuarial assumptions used to value the post-retirement medical liabilities can be categorized into three groups: economic assumptions, healthcare assumptions, and demographic assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation applied to all periods included in the measurement.

Economic Assumptions The two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

Inflation	2.5%
Salary increases	Vary by pension retirement system membership TRS or ERS
Discount rate	2.21% measurement date 2.16% prior year measurement date
Mortality Table	Based on same assumptions used for TRS and ERS
Health Care Cost Trends	5.7% for 2020 to 2021, decreasing gradually to an ultimate rate of 4.04% by 2075

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards discounting unfunded liabilities based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The assumption is consistent with the Social Security administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2016 OASDI Trustees Report.

Healthcare Assumptions Medical Cost Trends: Medical costs have historically increased more rapidly than the rate of inflation. In estimating future retiree benefits, future increases in medical costs must be taken into consideration. The medical cost trend assumptions, based on the Society of Actuaries' Getzen Model, reflect the view that future increases will be constrained by the proportion of the nation's Gross Domestic Product (GDP) which is represented by the healthcare industry. Therefore, in the long run, the annual rate of increase will have to decrease.

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short-term rates are based on recent industry surveys, plan experience and near-term expectations. The long-term trend rate is based on our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation.

Demographic Assumptions: The mortality rates used in this valuation were developed by the Office of the Actuary of the New York Teachers Retirement System (TRS) and the Office of the Actuary for the New York State Employees Retirement System (ERS), for the valuation of their respective pension liabilities.

3) Changes in the Total OPEB Liability

	<u>June 30, 2022</u>
Total OPEB Liability at Beginning of Year.....	\$ 46,159,971
Changes for the year:	
Service Cost.....	1,949,049
Interest.....	1,031,994
Change in Benefit terms.....	-
Difference between expected and actual experience.....	(161,150)
Changes in assumptions or other inputs.....	(10,845,334)
Benefit payments.....	<u>(666,581)</u>
	<u>(8,692,022)</u>
Balance at the End of the year.....	<u><u>\$ 37,467,949</u></u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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

	Discount Rate		
	Baseline		
	1% Decrease	Rate 3.5%	1% Increase
Total OPEB Liability	\$ 31,616,024	\$ 37,467,994	\$ 55,000,860

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

	Healthcare Cost Trend Rates		
	Baseline Rate		
	1% Decrease	5.7% Decreasing	1% Increase
Total OPEB Liability	\$ 30,486,621	\$ 37,467,949	\$ 46,744,844

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

For the year ended June 30, 2022, the District recognized OPEB expense of #VALUE!. At June 30, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	\$ -	\$ 2,115,240
Changes of assumption or other inputs.....	7,469,093	10,007,245
	<u>\$ 7,469,093</u>	<u>\$ 12,122,485</u>

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

	Amount
Year ending June 30, 2023.....	\$ (482,783)
2024.....	(482,783)
2025.....	(426,569)
2026.....	(203,870)
2027.....	(1,485,027)
Thereafter.....	(1,572,360)
	<u>\$ (4,653,392)</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 10 RISK MANAGEMENT

The district is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Note 11 CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability:

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

Contingent Liability for Sick Leave:

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness).

Potential Liability to New York State:

The District has receives state aid revenue sharing and grants, which are subject to audit by New York State Comptroller's Office. Such audits may result in adjustments to revenues. Based on prior audits, the district's administration believes any adjustments will be immaterial.

Note 12 DONOR RESTRICTED ENDOWMENTS

The district administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments are \$166,894 and are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the district is \$5,000. The district authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donors.

Note 13 TAX ABATEMENTS

The District does not have any property tax abatement agreements in place as of June 30, 2022. The District is not subject to any tax abatement agreements entered into by other governmental entities as of June 30, 2022.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 14 SUBSEQUENT EVENTS

The District has evaluated subsequent events through the issuance date of the financial statements. On In 2022, the World Health Organization continues caution regarding the novel strain of coronavirus (COVID-19) a global pandemic and continues to recommend containment and mitigation measures worldwide. As of the date of this filing, the district has implemented reopening plans for the new school year which includes elements of in-person and remote learning. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact financial position and results of operations on a long-term basis.

Required Supplementary Information

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (non-GAAP basis) and Actual – General Fund
For the year ended June 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes.....	\$ 4,871,713	\$ 4,871,713	\$ 4,902,538	\$ 30,825
Other tax items.....	906,207	906,207	881,411	(24,796)
Charges for services.....	-	-	11,798	11,798
Use of money and property.....	26,000	26,000	12,959	(13,041)
Sale of property.....	1,000	1,000	52,901	51,901
Miscellaneous.....	-	-	108	108
Refund of expenditures.....	225,000	242,640	370,058	127,418
	<u>6,029,920</u>	<u>6,047,560</u>	<u>6,231,773</u>	<u>184,213</u>
State Sources.....	14,985,440	14,985,440	14,692,602	(292,838)
Medicaid reimbursement.....	75,000	75,000	59,851	(15,149)
Federal Sources.....	284,640	284,640	217,124	(67,516)
Total Revenues.....	<u>21,375,000</u>	<u>21,392,640</u>	<u>21,201,350</u>	<u>(191,290)</u>
OTHER FINANCING SOURCES				
Proceeds from debt.....	-	-	-	-
Premium on obligations.....	-	-	-	-
Transfers from other funds.....	-	-	12,934	12,934
Appropriated fund balances.....	500,000	1,226,257	-	-
Total Revenues & Other Financing Sources.....	<u>\$ 21,875,000</u>	<u>\$ 22,618,897</u>	<u>\$ 21,214,284</u>	<u>\$ (178,356)</u>

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (non-GAAP basis) and Actual – General Fund
For the year ended June 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education.....	\$ 19,310	\$ 19,953	\$ 19,953	\$ -	\$ -
Central administration.....	196,624	216,694	216,038	-	656
Finance.....	167,843	153,802	151,561	-	2,241
Staff.....	187,193	203,245	203,050	-	195
Central services.....	1,549,115	1,544,901	1,473,278	700	70,923
Special items.....	278,789	298,961	271,908	-	27,053
Total General Support.....	<u>2,398,874</u>	<u>2,437,556</u>	<u>2,335,788</u>	<u>700</u>	<u>101,068</u>
Instruction					
Instruction, administration, and improvement.....	585,257	563,136	487,670	-	75,466
Teaching - regular school.....	5,203,255	5,175,889	4,181,895	1,736	992,258
Teaching - special needs school.....	3,895,219	3,831,789	2,726,908	182	1,104,699
Teaching - special school.....	87,850	87,850	14,369	-	73,481
Instructional media.....	369,936	366,622	315,262	-	51,360
Pupil services.....	877,370	906,852	667,269	-	239,583
Total Instruction.....	<u>11,018,887</u>	<u>10,932,138</u>	<u>8,393,373</u>	<u>1,918</u>	<u>2,536,847</u>
Pupil Transportation.....	1,208,753	1,208,753	874,415	467,010	(132,672)
Community services.....	5,500	77,149	75,149	-	2,000
Employee Benefits.....	5,943,111	5,228,425	4,274,437	-	953,988
Capital outlay.....	90,000	838,649	347,502	-	491,147
	20,665,125	20,722,670	16,300,664	469,628	3,952,378
OTHER FINANCING USES					
Transfers to other funds.....	1,209,875	1,896,227	1,896,227	-	-
Total Expenditures and Other Uses.....	<u>\$ 21,875,000</u>	<u>\$ 22,618,897</u>	<u>\$ 18,196,891</u>	<u>\$ 469,628</u>	<u>\$ 3,952,378</u>
Net change in fund balances.....			3,017,393		
Fund balance - beginning.....			7,419,648		
Fund balance - ending.....			<u>\$ 10,437,041</u>		

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Schedule of Funding Progress - Other Post-Employment Benefits
For the year ended June 30, 2022**

Schedule of Fiduciary Net Position

	June 30, 2022
Total OPEB Liability Beginning of Year.....	\$ 46,159,971
Changes in totl OPEB Liability:	
Service Cost.....	1,949,049
Interest.....	1,031,994
Changes in benefit terms.....	-
Differences between expected and actual experience.....	(161,150)
Changes in assumptions or other inputs.....	(10,845,334)
Benefit payments.....	(666,581)
Total OPEB Liability at End of Year (a).....	\$ 37,467,949
Plan Fiduciary Net Position.....	-
Contributions - employer.....	666,581
Net investment income.....	-
Benefit payments.....	(666,581)
Net change in fiduciary net position.....	-
Plan Fiduciary Net Position Beginning of Year.....	-
Plan Fiduciary Net Position End of Year (b).....	-
Sponsor's Net OPEB Liability End of Year (a)-(b).....	\$ 37,467,949
Plan Fiduciary Net Position as a percentage of the total OPEB Liability.....	0.0%
Covered Payroll.....	\$ 8,832,795
Net OPEB Liability as a percentage of Covered Payroll.....	424.2%

Schedule of Employer OPEB Contributions

	June 30, 2022
Actuarially Determined Contribution.....	\$ 2,498,260
Contributions in relation to the Actuarially Determined Contributions.....	(666,581)
Contributions Deficiency (Excess).....	\$ 3,164,841
Covered Payroll.....	\$ 8,832,795
Contributions as a percentage of Covered Payroll.....	7.5%

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Schedule of Funding Progress - Other Post-Employment Benefits
For the year ended June 30, 2022**

Significant Methods and Assumptions used in Calculating the Actuarially Determined Contributions:

Actuarial Cost Method

The Actuarial Cost Method used to determine the Total OPEB Liability and the Annual Required Contribution is the Entry Age Normal (EAN) method as prescribed by GASB No. 75. This method is in the family of future benefit cost methods, which requires an estimate of the projected benefit payable at retirement to determine costs and liabilities.

The Normal Cost (or Service Cost) is the annual allocation required for each participant from entry date to the assumed retirement date so that the accumulated allocation at retirement is equal to the liability for the projected benefit. The projected benefits are based on estimates of future years of service and projected health benefit costs. The normal cost is developed as a level percent of compensation as prescribed by GASB No. 75.

The Present Value of Future Benefits is equal to the value of the projected benefit payable at retirement discounted back to the participant's current age. Discounts include such items as interest and mortality. The present value of future normal cost allocations is equal to the discounted value of the normal costs allocated from the member's current age to retirement age.

The difference between the Present Value of Future Benefits and the present value of future normal cost allocations represents the Total OPEB Liability at the participant's current age.

The Total OPEB Liability for participants currently receiving payments is calculated as the actuarial present value of future benefits expected to be paid. No normal cost is allocated for these participants.

Financial and Census Data

The School District provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

Plan Fiduciary Net Position

Market value of assets as of the measurement date is zero because the plan is funded on a pay-as-you-go basis.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Schedule of Funding Progress - Other Post-Employment Benefits For the year ended June 30, 2022

Economic Assumptions

1. **Discount Rate:** An interest rate of 3.54% was used. The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.
2. **Inflation:** 2.5% per year.
3. **Salary increases** Vary by pension retirement system membership TRS or ERS.
4. **Health Care Cost Trend:** Medical costs have historically increased more rapidly than the rate of inflation. In estimating future retiree benefits, future increases in medical costs must be taken into consideration. The medical cost trend assumptions, based on the Society of Actuaries' Getzen Model, reflect the view that future increases will be constrained by the proportion of the nation's Gross Domestic Product (GDP) which is represented by the healthcare industry. Therefore, in the long run, the annual rate of increase will have to decrease.

The assumptions are summarized as follows:

- a. Pre- Medicare: 5.7% for 2020 decreasing to an ultimate rate of 4.04% by 2075
- b. Medicare: 5.7% for 2020 decreasing to an ultimate rate of 4.04% by 2075

Demographic Assumptions

1. **Census Collection Date:** The census used in this report represents the eligible population as of July 1, 2021. The valuation date is June 30, 2021 and measurement date are June 30, 2022.
2. **Mortality:** The mortality rates used in this valuation were developed by the Office of the Actuary of the New York Teachers Retirement System (TRS) and the Office of the Actuary for the New York State Employees Retirement System (ERS), for the valuation of their respective pension liabilities.
3. **Withdrawal Rates:** The valuation considers the fact that if an employee terminates his/her employment other than by retirement, then no benefit is provided. The withdrawal rates used in this valuation were developed by the Office of the Actuary of the New York Teachers Retirement System (TRS) and the Office of the Actuary for the New York State Employees Retirement System (ERS), for the valuation of their respective pension liabilities.:
4. **Retirement Rates:** Employees who meet the service requirement may typically retire from the district at age 55 or later. The valuation considers the fact that employees may elect to retire at different ages. The retirement rates used in this valuation were developed by the Office of the Actuary of TRS and the Office of the Actuary for ERS, for the valuation of their respective pension liabilities.
5. **Retiree Option Election Rates:** If retirees have a choice between multiple options, election rates for each option must be selected. The valuation assumes that all current retirees are, and future retirees will be, covered by CASEBP.
6. **Proportion Electing Spousal Coverage:** The valuation must consider the proportion of retiring employees who elect spousal coverage upon their retirement. The following proportions are assumed, based on current retiree experience: Male 65% and Female 40%.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Schedule of Funding Progress - Other Post-Employment Benefits
For the year ended June 30, 2022

Healthcare Assumptions

1. Per Capita Claim Costs:

- a) For the medical plans, we analyzed retiree premiums provided by the District in effect as of July 01, 2021. The data implicitly reflects the deductibles and/or copays in effect during the period, as well as the significant differences in coverage between before Medicare eligibility and after. Per capita claim costs were first determined on an overall basis, and then were distributed to the age bands using an assumed set of age-band relativities.
- b) For Medicare Part B premiums, the rate in effect on July 01, 2021 was used as the initial per capita claim cost.

2. Patient Protection and Affordable Care Act (PPACA)

High-Cost Plan Excise Tax ("Cadillac Tax"): Effective in 2024, there will be a 40% excise tax on per capita medical benefit costs in excess of certain thresholds, which (in 2021) are \$10,200 for single coverage and \$27,500 for family coverage for Medicare eligible retirees. Thresholds (in 2021) for retirees who are between 55 and 65 are \$11,850 and \$30,950 for single and family coverage respectively. The thresholds are indexed by CPI. CPI is assumed to equal the inflation assumption.

FORT PLAIN CENTRAL SCHOOL DISTRICT

Schedule of District's Proportionate Share of the Net Pension Liability (Asset)

NYSLRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset).....	0.0058463%	0.0066722%	0.0063827%	0.0060026%	0.0066841%	0.0073945%	0.0071332%	0.0069800%
District's proportionate share of the net pension liability (asset).....	\$ (477,914)	\$ 6,644	\$ 1,690,182	\$ 425,303	\$ 215,726	\$ 694,805	\$ 1,144,901	\$ 235,809
District's covered-employee payroll.....	\$ 2,050,154	\$ 1,990,705	\$ 2,113,497	\$ 2,054,725	\$ 2,110,888	\$ 2,079,690	\$ 2,026,566	\$ 1,855,200
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll.....	-23.31%	0.33%	79.97%	20.70%	10.22%	33.41%	56.49%	12.71%
Plan fiduciary net position as a percentage of total pension liability.....	0.00%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset).....	0.0429100%	0.0431300%	0.0435580%	0.0432550%	0.0432850%	0.0435060%	0.0426250%	0.0410400%
District's proportionate share of the net pension liability (asset).....	\$ (7,435,961)	\$ 1,191,799	\$ (1,131,650)	\$ (782,161)	\$ (329,005)	\$ 465,968	\$ (4,427,398)	\$ (4,571,596)
District's covered-employee payroll.....	\$ 7,283,274	\$ 7,283,271	\$ 7,396,327	\$ 7,270,605	\$ 7,172,084	\$ 6,713,416	\$ 6,579,198	\$ 6,062,242
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll.....	-102.10%	16.36%	-15.30%	-10.76%	-4.59%	6.94%	-67.29%	-75.41%
Plan fiduciary net position as a percentage of total pension liability.....	99.95%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.50%

NYSLRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution.....	\$ 304,334	\$ 294,974	\$ 289,477	\$ 290,296	\$ 313,173	\$ 309,922	\$ 376,776	\$ 355,587
Contributions in relation to the contractually required contribution.....	\$ 304,334	\$ 294,974	\$ 289,477	\$ 290,296	\$ 313,173	\$ 309,922	\$ 376,776	\$ 355,587
Contribution deficiency (excess).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll.....	\$ 2,050,154	\$ 1,990,705	\$ 2,113,497	\$ 2,054,725	\$ 2,110,888	\$ 2,079,690	\$ 797,486	\$ 1,855,200
Contributions as a percentage of covered-employee payroll.....	14.84%	14.82%	13.70%	14.13%	14.84%	14.90%	47.25%	19.17%

TRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution.....	\$ 694,096	\$ 648,599	\$ 772,138	\$ 690,481	\$ 803,895	\$ 890,199	\$ 1,122,425	\$ 985,114
Contributions in relation to the contractually required contribution.....	\$ 694,096	\$ 648,599	\$ 772,138	\$ 690,481	\$ 803,895	\$ 890,199	\$ 1,122,425	\$ 985,114
Contribution deficiency (excess).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll.....	\$ 7,283,274	\$ 7,283,271	\$ 7,396,327	\$ 7,270,605	\$ 7,172,084	\$ 6,713,416	\$ 2,953,416	\$ 6,062,242
Contributions as a percentage of covered-employee payroll.....	9.53%	8.91%	10.44%	9.50%	11.21%	13.26%	38.00%	16.25%

Supplementary Information

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Schedule of Change from Original Budget to Revised Budget
And Section 1318 of Real Property Tax Law Limit Calculation
For the year ended June 30, 2022**

Change from adopted Budget to Revised Budget

Adopted Budget.....	\$ 21,875,000
Add: Prior year encumbrances.....	259,248
Original Budget.....	<u>22,134,248</u>
Budget revision:	
Gifts and donations.....	-
Grants.....	-
State Aid revisions and adjustments.....	-
Final Budget.....	<u>\$ 22,134,248</u>
Next year's voter approved budget.....	<u><u>\$ 22,520,000</u></u>

Section 1318 of Reel Property Tax Law Limit Calculation:

Subsequent year's voter-approved budget.....	\$ 22,520,000
Maximum allowed percentage carryover.....	<u>4.0%</u>
Limit of unexpended surplus funds.....	900,800
General Fund balance.....	10,437,041
Deductions:	
Restricted funds are not subject to the law.....	(8,891,613)
Appropriations for subsequent year's budget already assigned.....	(175,000)
Encumbrances included in assigned.....	<u>(469,628)</u>
General Fund balance subject to the limit.....	<u>900,800</u>
Amount of carryover over the limit.....	<u>\$ -</u>
Actual percentage.....	4.0%

Change in General Fund's Unassigned Fund Balance

Opening unassigned fund balance.....	\$ 875,000
Revenues.....	21,201,350
Expenditures.....	(16,300,664)
Other financing sources.....	12,934
Other financing uses.....	(1,896,227)
Net (increase) decrease in restricted fund balances.....	(3,106,213)
Net (increase) decrease in assigned fund balances.....	<u>114,620</u>
Closing unassigned fund balance.....	<u><u>\$ 900,800</u></u>

The portion of general fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance. Restricted fund balance is not subject to the law.

FORT PLAIN CENTRAL SCHOOL DISTRICT
Invested in Capital Assets, Net of Related Debt
June 30, 2022

Schedule of Project Expenditures - Capital Project Fund
For the year ending June 30, 2022

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Building Project	\$ 11,245,806	11,245,806	8,335,307	564,766	\$ 8,900,073	\$ 2,345,733
Equipment	-	-	-	-	-	-
	<u>\$ 11,245,806</u>	<u>11,245,806</u>	<u>8,335,307</u>	<u>8,335,307</u>	<u>\$ 8,900,073</u>	<u>\$ 2,345,733</u>

PROJECT TITLE	Methods of Financing				Fund Balance
	Proceeds of Obligations	State Aid	Local Sources	Total	06/30/22
Building Project	\$ 7,340,000	909,224	1,372,264	9,621,488	\$ 333,104
Equipment	-	-	-	-	-
	<u>\$ 7,340,000</u>	<u>909,224</u>	<u>1,372,264</u>	<u>9,621,488</u>	<u>333,104</u>

**Governmental Auditing Standards
Reports**

FORT PLAIN CENTRAL SCHOOL DISTRICT

**Extra Classroom Activity Funds
Note to the Financial Statement**

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

To the Board of Education
Fort Plain Central School District
Fort Plain, 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 Fort Plain Central School District, New York State as of and for the year ended June 30, 2022, which collectively comprise the School District's basic financial statements and have issued our report thereon dated .

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 Fort Plain Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Caryn, Farrow, & Locke". The signature is written in a cursive, flowing style.

Norwich, New York