

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 27, 2022

NEW AND RENEWAL ISSUES

**SERIAL BONDS &
BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds and Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Bonds and Notes. See "TAX MATTERS" herein.

The Bonds and Notes will be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.



\$6,000,000
LISBON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK
GENERAL OBLIGATIONS

\$500,000 School District (Serial) Bonds, 2022 Series B
(the "Bonds")

Dated: July 14, 2022

Due: October 15, 2022-2026

MATURITIES*

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2022	\$ 100,000			
2023	100,000			
2024	100,000			
2025	100,000			
2026	100,000			

* Subject to change pursuant to the accompanying Notice of Private Competitive Bond Sale in order to achieve substantially level or declining annual debt service.

AND

\$5,500,000 Bond Anticipation Notes, 2022
(the "Notes")

Dated: July 14, 2022

Due: June 29, 2023

The Bonds and Notes are general obligations of the Lisbon Central School District, St. Lawrence County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, without limitation as to rate or amount. (See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein).

The Bonds and Notes are NOT subject to redemption prior to maturity.

Proposals for the Bonds shall be for not less than \$500,000 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds will be issued as registered bonds, registered in the name of the purchaser, or, at the option of the purchaser, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 15, 2022 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the bonds will be issued in registered form in denomination of \$5,000 or integral multiples thereof. The District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

At the option of the purchaser(s), the Notes will be issued in book-entry-only form or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued in book-entry-only form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the beneficial owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Bonds and Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Bonds and Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about July 14, 2022.

ELECTRONIC BIDS for the Bonds and Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 30, 2022 until 11:30 A.M., Eastern Time, pursuant to the respective Notices of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds and Notes pursuant to the terms provided in the respective Notices of Sale.

June __, 2022

THE SCHOOL DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND NOTES HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE RESPECTIVE NOTICES OF SALES WITH RESPECT TO THE BONDS AND NOTES HEREIN DESCRIBED. FOR A DESCRIPTION OF THE SCHOOL DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX-D, CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS" HEREIN. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS RELATED TO THE NOTES AS DEFINED IN THE RULE. SEE "APPENDIX-E, MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES" HEREIN.

LISBON CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

ANDREA RANDLE
President



BECKY BUCKINGHAM
Vice President

JENNIFER GRAY
MARY FONDA
ANGELA MCLEAR
SCOTT WALKER
SCOTT WILHELM

* * * * *

PATRICK J. FARRAND
Superintendent

MICHAEL ROBINSON
Business Manager

KRISTA WOODS
School District Clerk

SILVER & COLLINS, ATTORNEYS AT LAW
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL
Bond Counsel

No person has been authorized by the Lisbon Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds and Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Lisbon Central School District.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
NATURE OF OBLIGATION	1	SPECIAL PROVISIONS AFFECTING	
THE BONDS	3	REMEDIES UPON DEFAULT	27
Description of the Bonds	3	MARKET AND RISK FACTORS	28
No Optional Redemption	3	COVID-19	29
Purpose of Issue	3	Cybersecurity	29
THE NOTES	3	TAX MATTERS	29
Description of the Notes	3	LEGAL MATTERS	30
No Optional Redemption	3	LITIGATION	30
Purpose of Issue	4	CONTINUING DISCLOSURE	31
BOOK-ENTRY-ONLY SYSTEM	4	Historical Continuing Disclosure Compliance	31
Certificated Bonds	6	MUNICIPAL ADVISOR	31
Certificated Notes	6	RATINGS	31
THE SCHOOL DISTRICT	6	MISCELLANEOUS	31
General Information	6	APPENDIX – A	
District Population	6	GENERAL FUND - Balance Sheets	
Selected Wealth and Income Indicators	7	APPENDIX – A1	
Larger Employers	7	GENERAL FUND – Revenues, Expenditures and	
Unemployment Rate Statistics	8	Changes in Fund Balance	
Form of School Government	8	APPENDIX – A2	
Budgetary Procedures and Recent Budget Votes	8	GENERAL FUND – Revenues, Expenditures and	
Investment Policy	9	Changes in Fund Balance - Budget and Actual	
State Aid	9	APPENDIX – B	
State Aid Revenues	13	BONDED DEBT SERVICE	
District Facilities	13	APPENDIX – B1	
Enrollment Trends	14	CURRENT BONDS OUTSTANDING	
District Employees	14	APPENDIX – C, C1	
Status and Financing of Employee Pension Benefits	14	CALCULATION OF TAXABLE FULL VALUATION	
Other Post-Employment Benefits	16	APPENDIX – D	
Financial Statements	17	CONTINUING DISCLOSURE UNDERTAKING WITH	
New York State Comptroller Report of Examination	18	RESPECT TO THE BONDS	
The State Comptroller's Fiscal Stress Monitoring System	18	APPENDIX – E	
Other Information	19	MATERIAL EVENT NOTICES WITH RESPECT TO THE	
TAX INFORMATION	19	NOTES	
Taxable Valuations	19	APPENDIX – F	
Tax Rate Per \$1,000 (Assessed)	19	FORM OF BOND COUNSEL OPINION – THE BONDS	
Tax Collection Procedure	19	APPENDIX – G	
Tax Collection Record	20	FORM OF BOND COUNSEL OPINION – THE NOTES	
Real Property Tax Revenues	20	APPENDIX – H	
Ten Largest Taxpayers – 2021 for 2021-22 Tax Roll	20	AUDITED FINANCIAL STATEMENTS -	
STAR – School Tax Exemption	21	Fiscal Year Ended June 30, 2021	
Additional Tax Information	22		
TAX LEVY LIMITATION LAW	22		
STATUS OF INDEBTEDNESS	23		
Constitutional Requirements	23		
Statutory Procedure	23		
Debt Outstanding End of Fiscal Year	24		
Details of Outstanding Indebtedness	24		
Debt Statement Summary	25		
Bonded Debt Service	25		
Cash Flow Borrowings	25		
Capital Project Plans	26		
Estimated Overlapping Indebtedness	26		
Debt Ratios	27		

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

www.fiscaladvisors.com

OFFICIAL STATEMENT
of the
LISBON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK
Relating To
\$500,000 School District (Serial) Bonds, 2022 Series B
And
\$5,500,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Lisbon Central School District, St. Lawrence County, New York (the “School District” or “District”, “County”, and “State”, respectively) in connection with the sale by the District of \$500,000 School District (Serial) Bonds, 2022 Series B (referred to herein as the “Bonds”) and \$5,500,000 Bond Anticipation Notes, 2022 (referred to herein as the “Notes”) (collectively referred to herein as the “Bonds and Notes”).

The factors affecting the District’s financial condition and the Bonds and Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District’s overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See “MARKET AND RISK FACTORS - COVID-19” herein.

NATURE OF OBLIGATION

Each Bond and Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds and Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law” or “Chapter 97”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated July 14, 2022 and will mature in the principal amounts and on the dates as set forth on the cover page. Interest on the Bonds will be payable on October 15, 2022 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Bonds are not subject to redemption prior to maturity. The record date for the Bonds will be the last business day of the calendar month preceding such interest payment. Interest on the Bonds will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued in registered form at the option of the purchaser either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and Statutes of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on June 17, 2021 authorizing the issuance of \$1,000,000 obligations to finance the purchase of student transport vehicles.

The proceeds of the Bonds will provide \$500,000 in new money for student transport vehicles.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes are dated July 14, 2022 and mature, without option of prior redemption, on June 29, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued in registered form at the option of the purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and Statutes of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on (i) March 18, 2021 authorizing the issuance of up to \$1,200,000 obligations to finance certain energy performance improvements to the District's Main School Building (the "Energy Performance Project") at a maximum estimated cost of \$1,200,000, and (ii) on June 18, 2020 authorizing the issuance of up to \$4,300,000 obligations to finance certain renovations alterations, and improvements to the District's Main School Building and campus, as well as energy performance improvements to all District facilities (the "Capital Improvement Project") at a maximum estimated cost of \$4,300,000.

A \$4,300,000 portion of the proceeds of the Notes will redeem and renew in full \$4,300,000 bond anticipation notes maturing July 15, 2022 and issued for the Capital Improvement Project. A \$900,000 portion of the proceeds of the Notes will redeem and renew in full \$900,000 bond anticipation notes maturing July 15, 2022 and issued for the Energy Performance Project. The balance of the Notes in the amount of \$300,000 will provide additional new money for the Energy Performance Project.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Notes, if selected by the purchaser(s). As such, the Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond and note certificate will be issued for each maturity of the Bonds and for Notes bearing the same rate of interest and CUSIP number.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds and Notes may wish to ascertain that the nominee holding the Bonds and Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the School District. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE SCHOOL DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE SCHOOL DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS, OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS AND NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued or the successful bidder elects to have the Bonds issued in registered certificated form, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system or by the successful bidder if the Bonds are issued in registered certificated form is chosen. Interest on the Bonds will remain payable on October 1, 2023 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

Certificated Notes

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at the option of the School District at the offices of the School District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in Northern Upstate New York in the County of St. Lawrence. The District's physical facilities are located in the Town of Lisbon, which is approximately 8.5 miles east of the City of Ogdensburg and approximately 60 miles northeast of the City of Watertown, and has a land area of approximately 108 square miles.

Major east-west thoroughfares intersecting the School District include New York Routes 10 and 27. Nearby thoroughfares include New York State Route 37 and New York State Route 68, which converge west of the District in Ogdensburg. Route 37 follows the south bank of St. Lawrence River in a northeasterly direction, and Route 68 runs southeasterly to Canton.

Electricity is provided by Niagara Mohawk Power (National Grid), and natural gas is provided by Liberty Utilities (St. Lawrence Gas). Telephone service is provided by Verizon. Police services are provided by the New York State Police Department and the St. Lawrence County Sheriff's Department. Fire services are provided by the Lisbon Volunteer Fire Department.

Source: District officials.

District Population

The 2020 estimated population of the District is 4,326. (Source: U.S. Census Bureau, 2016-2020 American Community Survey data).

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the City, Towns or the County is necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>
City of:						
Ogdensburg	\$ 16,650	\$ 17,651	\$ 24,253	\$ 36,236	\$ 44,625	\$ 58,821
Towns of:						
Lisbon	15,784	21,677	29,596	38,384	52,625	85,556
Madrid	13,720	23,487	23,045	40,625	52,353	61,042
Waddington	18,311	23,758	32,860	42,357	55,729	91,025
County of:						
St. Lawrence	15,728	20,143	26,676	38,510	50,384	66,843
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

Larger Employers

Some of the major employers located within and surrounding the School District are as follows:

<u>Name</u>	<u>Type</u>	<u>Employees</u>
New York State Dept. of Corrections	State Prison	306 ⁽¹⁾
New York State Dept. of Mental Health	State Hospital	300
Lisbon Central School District	Public Education	123
ACCO Manufacturing	Office Supplies	100
Ogdensburg Bridge/Port Authority	Cargo Handling / Toll Bridge	75

⁽¹⁾ Watertown Correctional Facility was closed on March 30, 2021 due to declining prison population and consolidation of facilities throughout the State. On March 10, 2022, Ogdensburg Correctional Facility was closed.

Source: District and County officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the County of St. Lawrence. The information set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State, are necessarily representative of the District, or vice versa.

		<u>Annual Averages</u>										
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>					
St. Lawrence County	7.4%	6.7%	6.6%	5.6%	5.4%	7.9%	5.1%					
New York State	5.2	4.9	4.6	4.1	3.8	9.9	6.9					
		<u>2021-22 Monthly Figures</u>										
	<u>2021</u>							<u>2022</u>				
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
St. Lawrence County	5.6%	5.7%	5.4%	4.1%	3.9%	3.5%	3.3%	4.6%	4.7%	4.4%	3.6%	3.4%
New York State	7.5	7.1	6.7	5.7	5.3	4.9	4.5	5.3	5.1	4.7	4.2	4.1

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education is the policy-making body of the District and consists of seven members with overlapping four-year terms. Each Board member must be a qualified voter of the District. The President and the Vice President are selected by the Board members.

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The District’s budget for the 2021-22 fiscal year was approved by qualified voters on May 18, 2021 by a vote of 146 yes to 23 no. The adopted budget included a total tax levy increase of 2.78%, which was equal to the District’s Tax Cap of 2.78% for the 2021-22 fiscal year.

The District’s budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 128 yes to 28 no. The adopted budget included a total tax levy increase of 2.0%, which was within the District’s Tax Cap of 3.15% for the 2022-22 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The District does not invest in so-called “derivatives” including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2022-23 fiscal year, approximately 70.5% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also “MARKET AND RISK FACTORS”).

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal aid received by the State.

Since March 2020, the State has been awarded over \$14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately \$2,017,646 in ARP funds and \$541,838 CRRSA funds.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2022-23 preliminary building aid ratios, the District expects to receive State building aid of approximately 96.5% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School District Fiscal Year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of \$991 million over 2015-16, \$863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids (\$408 million), the budget also included a \$266 million increase in Foundation Aid and an \$189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included \$100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School District Fiscal Year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School District Fiscal Year (2018-2019): The State 2018-19 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately \$859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at \$26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. \$50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6% and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately \$27.9 billion, an annual increase of approximately \$100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards

of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase of foundation aid is now scheduled to occur as listed in the following paragraph.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2021-22 and 2022-23 fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2016-2017	\$ 12,082,704	\$ 8,373,801	69.30%
2017-2018	11,952,872	8,065,988	67.48
2018-2019	12,476,757	8,314,340	66.64
2019-2020	13,154,014	8,771,281	66.68
2020-2021	13,438,788	8,434,525	62.76
2021-2022 (Budgeted)	14,093,904 ⁽¹⁾	8,997,893	63.84
2022-2023 (Budgeted)	14,210,763 ⁽²⁾	10,018,144	70.50

⁽¹⁾ Does not include \$1,796,309 of appropriated fund balance and reserves.

⁽²⁾ Does not include \$1,802,748 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2015-16 fiscal year through and including the 2019-20 fiscal year and adopted budgets (unaudited) of the District for the 2020-21 and 2021-22 fiscal years. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Lisbon Central School	Pre-K-12	1,543	1954, 03

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2017-18	585	2022-23	577
2018-19	595	2023-24	561
2019-20	595	2024-25	564
2020-21	585	2025-26	546
2021-22	590	2026-27	526

Source: District officials.

District Employees

The School District employs approximately 112 full-time and 11 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates follows:

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
70	Lisbon Teachers' Association	June 30, 2024
18	Lisbon Non-Instructional Association	June 30, 2022 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement 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 benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The law became effective for new ERS and TRS hires on January 1, 2010. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2022-23 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2017-2018	\$ 106,541	\$ 409,952
2018-2019	109,703	383,219
2019-2020	109,737	434,182
2020-2021	95,164	371,354
2021-2022	97,923	407,817
2022-2023 (Budgeted)	168,000	469,000

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2016-17 to 2022-23) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated. The TRS Retirement Board is expected to adopt the 2022-23 employer contribution rate at its August 3, 2022 meeting.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded

payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such reserve fund.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Armory Associates, LLC to calculate its first actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at:	<u>July 1, 2019</u>	<u>July 1, 2020</u>
	<u>\$ 32,492,467</u>	<u>\$ 34,367,349</u>
<u>Changes for the year:</u>		
Service cost	977,702	1,258,590
Interest on total OPEB liability	1,277,441	1,228,742
Changes in Benefit Terms	(142,980)	-
Differences between expected and actual experience	(212,172)	-
Changes in Assumptions or other inputs	897,574	8,796,652
Benefit payments	<u>(922,683)</u>	<u>(1,038,056)</u>
Net Changes	<u>\$ 1,874,882</u>	<u>\$ 10,245,928</u>
 Balance ending at:	 <u>June 30, 2020</u>	 <u>June 30, 2021</u>
	<u><u>\$ 34,367,349</u></u>	<u><u>\$ 44,613,277</u></u>

Source: Audited financial reports of the District. For additional information see “APPENDIX - H” attached hereto. The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as “APPENDIX – H”. Certain summary financial information of the District can be found attached as Appendices to the Continuing Disclosure Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on July 1, 2016. The purpose of the audit was to evaluate internal controls over cafeteria cash receipts for the period July 1, 2014 through December 30, 2015. Key findings and recommendations of the audit report are outlined below:

Key Findings:

- The Board has not adopted policies and District officials have not developed procedures governing cafeteria cash receipts.
- The food service manager did not perform an independent reconciliation of cash sales to deposits or review the work of those who performed incompatible cash receipt duties.
- The Treasurer had access to the cafeteria's point-of-sale (POS) system that she did not need to fulfill her job responsibilities.

Key Recommendations:

- Adopt detailed policies and establish written procedures for collecting and accounting for cafeteria cash receipts.
- Require the food service manager to review the cashier's daily reconciliations and verify that the amounts collected agree with deposits on the bank statements.
- Ensure that the Treasurer has only those access rights within the POS system that are needed for her position.

The District provided a response to the State Comptroller's report on June 7, 2016. A copy of the full audit report and District's response can be found via the website of the Office of the New York State Comptroller.

There are no other recent Office of the State Comptroller's audits of the District, nor any that are currently in progress or pending release, however, the District did recently receive notification that the State Comptroller's office plans to conduct a routine audit soon.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

The Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the 2016-17 through 2020-21 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2021	No Designation	13.3
2020	No Designation	6.7
2019	No Designation	6.7
2018	No Designation	13.3
2017	No Designation	6.7

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds and Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Bonds and Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Valuations

<u>Year of District Tax Roll:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assessed Valuation	\$ 154,501,182	\$ 156,572,562	\$ 157,932,515	\$ 160,681,264	\$ 162,012,509
Full Valuation Using State Ratios	\$ 183,174,880	\$ 187,757,030	\$ 191,816,303	\$ 207,559,313	\$ 214,785,545
Full Valuation Using Special Ratios	\$ 189,616,384	\$ 204,610,670	\$ 210,976,543	\$ 216,503,892	\$ 220,675,907

⁽¹⁾ See “APPENDIX – C” for computations of full valuation using both State Equalization Ratios and Special Equalization Ratios.

Source: District officials.

Tax Rates per \$1,000 (Assessed)

<u>Years Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of:					
Ogdensburg	\$ 18.61	\$ 18.73	\$ 19.15	\$ 17.96	\$ 17.83
Towns of:					
Lisbon	22.16	22.56	23.35	23.29	23.77
Madrid	20.68	20.92	22.01	20.88	21.23
Waddington	18.99	19.51	20.92	20.52	20.73

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge during the month of September, but a 2% penalty is charged for the next 30 days. A 3% penalty is charged between November 1st and 15th. After November, uncollected taxes are returned to the County for collection. The School District receives these amounts from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Tax Collection Record

<u>Years Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Gross Tax Levy	\$ 3,409,622	\$ 3,516,083	\$ 3,672,536	\$ 3,726,897	\$ 3,830,411
Uncollected ⁽¹⁾	173,360	145,675	188,390	162,928	152,018
% Uncollected	5.1%	4.1%	5.1%	4.4%	4.0%

⁽¹⁾ The District is reimbursed by the County for all unpaid taxes. See “Tax Collection Procedure” herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the School District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2016-2017	\$ 12,082,704	\$ 3,347,169	27.70%
2017-2018	11,952,872	3,419,673	28.61
2018-2019	12,476,757	3,526,972	28.27
2019-2020	13,154,014	3,680,880	27.98
2020-2021	13,438,788	3,724,943	27.72
2021-2022 (Budgeted)	14,093,904 ⁽¹⁾	3,831,011	27.18
2022-2023 (Budgeted)	14,210,763 ⁽²⁾	3,907,619	27.50

⁽¹⁾ Does not include \$1,796,309 of appropriated fund balance and reserves.

⁽²⁾ Does not include \$1,802,748 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2015-16 fiscal year through and including the 2019-20 fiscal year and adopted budgets (unaudited) of the District for the 2020-21 and 2021-22 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2021 Assessment Roll for 2021-22 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Niagara Mohawk	Utility	\$ 7,266,165
Knollwood Farms	Agriculture	6,081,100
Iroquois Gas	Utility	5,968,326
St. Lawrence Gas	Utility	3,882,068
Five Mile Farms	Agriculture	2,190,500
Flack Farms	Agriculture	1,668,000
Lisbon Centre Real Estate	Agriculture	1,280,400
SLIC Network	Utility	1,066,158
Mort Backus Properties	Private	811,500
Russell Jones	Private	648,000

The larger taxpayers listed above have a total assessed valuation of \$30,862,217 that represents approximately 19.05% of the tax base of the School District.

The District currently does not have any other pending or outstanding tax certioraris that are known or expected to have a material impact on the District.

Source: District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$90,550 or less in 2021-22 and \$92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$70,700 for the 2021-22 school year and \$74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provides \$2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
City of Ogdensburg	\$ 74,900	\$ 30,000	4/7/2022
Town of Lisbon	56,180	22,500	4/7/2022
Town of Madrid	62,920	25,200	4/7/2022
Town of Waddington	64,410	25,800	4/7/2022

\$616,313 of the District’s \$3,726,897 school tax levy for 2020-21 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2021.

\$591,070 of the District’s \$3,239,341 school tax levy for 2021-22 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2022.

Additional Tax Information

Real property located in the School District is assessed by the Towns and the City of Ogdensburg.

Veterans' and Senior Citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-60%, Agricultural-10%, Commercial-10% and Industrial-20%.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Bonds and Notes.

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the School District and the Bonds and Notes include the following:

Purpose and Pledge. The School District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The School District may contract indebtedness only for a School District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; and unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the School District to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. This includes voter approval of bond resolutions authorizing the issuance of bonds, and notes in anticipation of the bonds.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions, the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the School District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the School District, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the School District with power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes, deficiency notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Years Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$ 2,680,000	\$ 2,115,000	\$ 5,765,000	\$ 5,330,000	\$ 5,340,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>4,900,000</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 2,680,000</u>	<u>\$ 7,015,000</u>	<u>\$ 5,765,000</u>	<u>\$ 5,330,000</u>	<u>\$ 5,340,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 5, 2022.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2022-2033	\$ 5,215,000
<u>Bond Anticipation Notes</u>		
Capital Project	July 15, 2022	<u>5,200,000</u>
	Total Indebtedness	<u>\$ 10,415,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 23, 2022:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios ⁽¹⁾
Five-Year Average Full Valuation of Taxable Real Property	\$ 197,018,614	\$ 208,476,679
Debt Limit 5% thereof.....	9,850,931	10,423,834
<u>Inclusions:</u>		
Bonds.....	\$ 5,215,000	\$ 5,215,000
Bond Anticipation Notes.....	5,200,000	5,200,000
Total Inclusions.....	\$ 10,415,000	\$ 10,415,000
<u>Exclusions:</u>		
Appropriations.....	\$ 0	\$ 0
Total Exclusions.....	\$ 0	\$ 0
Total Net Indebtedness ⁽²⁾	\$ 10,415,000	\$ 10,415,000
Net Debt-Contracting Margin ⁽³⁾	\$ (564,069)	\$ 8,834
The percent of debt contracting power exhausted is.....	105.73%	99.92%

(1) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said Office of Real Property Services, and are used for all other purposes. See "TAX INFORMATION - Taxable Assessed Valuations" herein or "APPENDIX – C" attached hereto.

(2) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. The District, as a school district located in a city, may not under Section 121.20 of the Local Finance Law exclude from gross indebtedness estimated State aid for School building purposes. As noted above, the District receives New York State debt service building aid in an amount approximating 96.5% of its outstanding debt. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

(3) The School District has received the consent of the Board of Regents and the Office of the State Comptroller on December 22, 2021 to issue certain indebtedness in excess of its debt limit. \$500,000 of bonded indebtedness included in the debt statement above, and \$500,000 of the current issuance of the Bonds, are authorized to be issued in excess of the District's debt limit.

Note: The issuance of the Bonds will increase the total net indebtedness of the District by \$500,000. The issuance of the Notes will increase the total net indebtedness of the District by \$300,000.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District has not issued Tax or Revenue Anticipation Notes for the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes, nor deficiency or budget notes, in the foreseeable future.

Capital Project Plans

On June 9, 2020 the qualified voters of the District approved a proposition authorizing a capital improvement project consisting of certain renovations alterations, and improvements to the District's Main School Building and campus, as well as energy performance improvements to all District facilities (the "Capital Project") at a maximum estimated cost of \$4,300,000. To date, the District has issued \$4,300,000 bond anticipation notes for the Capital Project, of which \$4,300,000 are outstanding and will mature on July 15, 2022. A \$4,300,00 portion of the proceeds of the Notes will renew in full the outstanding \$4,300,000 bond anticipation notes through June 2023.

On February 23, 2021 the qualified voters of the District approved a proposition authorizing a capital improvement project consisting of certain energy performance improvements to the District's Main School Building (the "Energy Performance Project") at a maximum estimated cost of \$1,200,000. To date, the District has issued \$900,000 bond anticipation notes for the Energy Performance Project, of which \$900,000 are outstanding and will mature on July 15, 2022. A \$900,000 portion of the proceeds of the Notes will renew in full the outstanding \$900,000 bond anticipation notes through June 2023. A \$300,000 portion of the proceeds of the Notes will provide additional new money for the Energy Performance Project.

On May 18, 2021, the qualified voters of the District approved a proposition for the purchase of student transportation vehicles at a maximum aggregate cost of \$1,000,000. Proceeds of the Bonds will provide \$500,000 in funding pursuant to this authorization.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
St. Lawrence	12/31/2020	\$ 24,940,000	\$ -	\$ 24,940,000	3.25%	\$ 810,550
City of:						
Ogdensburg	12/31/2020	23,427,337	18,412,337	5,015,000	0.85%	42,628
Town of:						
Lisbon	12/31/2020	385,562	118,562	267,000	86.87%	231,943
Madrid	12/31/2020	2,858,879	2,830,879	28,000	2.29%	641
Waddington	12/31/2020	-	-	-	1.01%	-
Total:						<u>\$ 1,085,762</u>

(1) Bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond sales, if any.

(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties, cities and towns.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 23, 2022:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 10,415,000	\$ 2,407.54	4.85%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	11,500,762	2,658.52	5.35

- (a) The 2020 estimated population of the District is 4,326. (See "THE SCHOOL DISTRICT – District Population" herein.)
(b) The District's full value of taxable real estate for the 2021-22 tax roll using regular state equalization rates is \$214,785,545. (See "TAX INFORMATION – Taxable Assessed Valuations" herein or "APPENDIX-C" attached hereto.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is \$1,085,762. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Bonds and Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds and Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond and Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds and Notes in the event of a default in the payment of the principal of and interest on the Bonds and Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds and Notes. The following is a discussion of certain events that could affect the risk of investing in the Bonds and Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the School District as well as the market for the Bonds and Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds and Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds and Notes, could be adversely affected.

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District could have an impact upon the market price of the Bonds and Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds and Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds and Notes, or the tax status of interest on the Bonds and Notes. See "TAX MATTERS" herein.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid, as well as resulting in a delay or reduction of sales tax receipts or other revenues of the District. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the State has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and business have since reopened. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also "*State Aid*" and "*State Aid History*" herein).

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 2021-22 fiscal year or for the foreseeable future under current conditions.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Bonds and Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. A complete copy of the proposed forms of opinion of Bond Counsel is set forth in "APPENDIX – F & G" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Bonds and Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Bonds and Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Bonds and Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds and Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds and Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds and Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and Notes are subject to the approving legal opinions of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the forms attached hereto as APPENDIX – F & G".

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Bonds and Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds and Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds and Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into a Continuing Disclosure Undertaking, descriptions of which are attached hereto as “APPENDIX – D, CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS” and “APPENDIX – E, MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES”.

Historical Continuing Disclosure Compliance

The District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and Notes. The advice on the plan of financing and the structuring of the Bonds and Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Bonds and Notes.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District’s Continuing Disclosure Undertakings. (See “APPENDIX-E, MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES” herein.)

The Bonds are NOT rated. S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned its rating of “A” with a Stable outlook to the District’s outstanding general obligation bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the bonds may have an adverse effect on the market price of the Bonds and Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds and Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management’s beliefs as well as assumptions made by, and information currently available to, the District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District’s files with the repositories. When used in District documents or oral presentation, the words “anticipate”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds and Notes.

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds and Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds and Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Bonds and Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Mr. Michael Robinson, Business Manager, District Offices, 6866 Co. Rte. 10, Lisbon, New York 13658 telephone (315) 393-4951, fax (315) 393-7666, email: mrobinson@slloboces.org.

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

LISBON CENTRAL SCHOOL DISTRICT

Dated: June 27, 2022

**ANDREA RANDLE
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 1,394,790	\$ 745,413	\$ 2,689,864	\$ 2,811,901	\$ 2,185,440
Restricted Cash	1,993,903	1,978,951	1,948,075	2,000,972	1,961,861
Accounts Receivable	56,958	72,719	9,148	58,999	-
Due from Other Funds	1,849,166	2,489,285	193,255	378,009	462,569
State and Federal Aid Receivable	361,426	222,306	290,880	133,126	245,209
Due from Other Governments	343,046	396,920	395,852	373,739	439,737
Prepaid Expenditures	-	-	-	-	-
TOTAL ASSETS	<u>\$ 5,999,289</u>	<u>\$ 5,905,594</u>	<u>\$ 5,527,074</u>	<u>\$ 5,756,746</u>	<u>\$ 5,294,816</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 20,833	\$ 802	\$ 117,337	\$ 279,914	\$ 122,706
Accrued Liabilities	355,863	399,606	459,715	582,311	543,466
Due to Other Funds	-	-	-	-	211,415
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	439,363	388,018	435,255	369,921	407,817
Due to Employees' Retirement System	28,260	29,168	23,756	33,292	25,019
Accrued Interest Payable	2,648	2,185	12,275	-	-
Compensated Absences	80,177	69,718	88,524	76,577	86,708
TOTAL LIABILITIES	<u>\$ 927,144</u>	<u>\$ 889,497</u>	<u>\$ 1,136,862</u>	<u>\$ 1,342,015</u>	<u>\$ 1,397,131</u>
<u>FUND EQUITY</u>					
Committed	\$ -	\$ -	\$ -	\$ 16,827	\$ 2,584
Nonspendable	-	-	4,500	-	-
Restricted	1,985,744	1,970,674	1,939,662	2,000,972	1,961,861
Assigned	2,581,654	2,487,859	1,866,137	1,887,525	1,497,309
Unassigned	504,747	557,564	579,913	509,407	435,931
TOTAL FUND EQUITY	<u>\$ 5,072,145</u>	<u>\$ 5,016,097</u>	<u>\$ 4,390,212</u>	<u>\$ 4,414,731</u>	<u>\$ 3,897,685</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 5,999,289</u>	<u>\$ 5,905,594</u>	<u>\$ 5,527,074</u>	<u>\$ 5,756,746</u>	<u>\$ 5,294,816</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 2,625,135	\$ 2,707,917	\$ 2,837,368	\$ 3,032,043	\$ 3,102,434
Other Tax Items	722,034	711,756	689,604	648,837	622,509
Charges for Services	26,230	106,277	171,489	194,208	181,790
Use of Money & Property	62,718	114,893	173,883	140,798	50,036
Sale of Property and Compensation for Loss	150	1,655	-	131,677	40,025
Miscellaneous	272,636	244,386	191,409	235,170	370,595
Revenues from State Sources	8,373,801	8,065,988	8,314,340	8,771,281	8,434,525
Revenues from Federal Sources	-	-	-	-	161,874
Total Revenues	<u>\$12,082,704</u>	<u>\$11,952,872</u>	<u>\$12,378,093</u>	<u>\$13,154,014</u>	<u>\$12,963,788</u>
Other Sources:					
Proceeds from Bond Issuance	-	-	-	-	475,000
Interfund Transfers	-	-	98,664	-	-
Total Revenues and Other Sources	<u>\$12,082,704</u>	<u>\$11,952,872</u>	<u>\$12,476,757</u>	<u>\$13,154,014</u>	<u>\$13,438,788</u>
EXPENDITURES					
General Support	\$ 1,323,497	\$ 1,332,617	\$ 1,337,314	\$ 1,556,808	\$ 1,551,196
Instruction	5,573,346	6,036,532	6,510,727	6,657,735	6,659,402
Pupil Transportation	820,171	850,803	1,125,288	738,687	1,468,145
Community Services	-	-	-	-	-
Employee Benefits	3,113,225	3,146,942	3,340,348	3,439,437	3,547,522
Debt Service	920,730	629,156	470,979	705,186	710,314
Total Expenditures	<u>\$11,750,969</u>	<u>\$11,996,050</u>	<u>\$12,784,656</u>	<u>\$13,097,853</u>	<u>\$13,936,579</u>
Other Uses:					
Interfund Transfers	12,526	12,855	317,986	31,642	19,255
Total Expenditures and Other Uses	<u>\$11,763,495</u>	<u>\$12,008,905</u>	<u>\$13,102,642</u>	<u>\$13,129,495</u>	<u>\$13,955,834</u>
Excess (Deficit) Revenues Over Expenditures	<u>319,209</u>	<u>(56,033)</u>	<u>(625,885)</u>	<u>24,519</u>	<u>(517,046)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,752,936	5,072,145	5,016,097	4,390,212	4,414,731
Prior Period Adjustments (net)	-	(15)	-	-	-
Fund Balance - End of Year	<u>\$ 5,072,145</u>	<u>\$ 5,016,097</u>	<u>\$ 4,390,212</u>	<u>\$ 4,414,731</u>	<u>\$ 3,897,685</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2021			2022	2023
	Adopted <u>Budget</u>	Modified <u>Budget</u>	Audited <u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 3,726,897	\$ 3,726,897	\$ 3,102,434	\$ 3,830,411	\$ 3,907,019
Other Tax Items	600	600	622,509	600	600
Charges for Services	180,000	180,000	181,790	180,000	200,000
Use of Money & Property	35,000	35,000	50,036	10,000	5,000
Sale of Property and Compensation for Loss	-	-	40,025	-	-
Miscellaneous	75,000	75,000	370,595	75,000	80,000
Revenues from State Sources	8,616,747	8,616,747	8,434,525	8,997,893	10,018,144
Revenues from Federal Sources	-	-	161,874	-	-
Total Revenues	<u>\$12,634,244</u>	<u>\$12,634,244</u>	<u>\$12,963,788</u>	<u>\$13,093,904</u>	<u>\$14,210,763</u>
Other Sources:					
Prior Year Encumbrances	-	16,827	-	-	-
Interfund Transfers	<u>500,000</u>	<u>500,000</u>	<u>475,000</u>	<u>1,000,000</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$13,134,244</u>	<u>\$13,151,071</u>	<u>\$13,438,788</u>	<u>\$14,093,904</u>	<u>\$14,210,763</u>
EXPENDITURES					
General Support	\$ 1,610,025	\$ 1,678,644	\$ 1,551,197	\$ 1,503,100	\$ 1,852,186
Instruction	7,179,965	7,128,173	6,659,401	7,670,080	7,714,387
Pupil Transportation	1,803,050	1,803,050	1,468,145	969,773	757,700
Community Services	-	-	-	-	-
Employee Benefits	3,674,210	3,674,210	3,547,522	3,905,590	4,191,613
Debt Service	<u>716,519</u>	<u>716,519</u>	<u>710,314</u>	<u>1,808,670</u>	<u>1,464,625</u>
Total Expenditures	<u>\$14,983,769</u>	<u>\$15,000,596</u>	<u>\$13,936,579</u>	<u>\$15,857,213</u>	<u>\$15,980,511</u>
Other Uses:					
Interfund Transfers	<u>38,000</u>	<u>38,000</u>	<u>19,255</u>	<u>33,000</u>	<u>33,000</u>
Total Expenditures and Other Uses	<u>\$15,021,769</u>	<u>\$15,038,596</u>	<u>\$13,955,834</u>	<u>\$15,890,213</u>	<u>\$16,013,511</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,887,525)</u>	<u>(1,887,525)</u>	<u>(517,046)</u>	<u>(1,796,309)</u>	<u>(1,802,748)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	1,887,525	1,887,525	4,414,731	1,796,309	1,802,748
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,897,685</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE
(as of June 23, 2022)

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	\$ -	\$ -	\$ -
2023	745,000	172,706	917,706
2024	765,000	155,218	920,218
2025	780,000	137,609	917,609
2026	515,000	118,688	633,688
2027	385,000	102,300	487,300
2028	300,000	87,050	387,050
2029	315,000	72,050	387,050
2030	330,000	56,300	386,300
2031	350,000	39,800	389,800
2032	360,000	29,300	389,300
2033	370,000	18,500	388,500
TOTALS	\$ 5,215,000	\$ 989,521	\$ 6,204,521

CURRENT BONDS OUTSTANDING
(as of June 23, 2022)

Fiscal Year Ending June 30th	2019A - DASNY Capital Project			2020 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	235,000	152,300	387,300	95,000	3,738	98,738
2024	250,000	140,550	390,550	95,000	2,728	97,728
2025	265,000	128,050	393,050	95,000	1,659	96,659
2026	270,000	114,800	384,800	100,000	563	100,563
2027	285,000	101,300	386,300	-	-	-
2028	300,000	87,050	387,050	-	-	-
2029	315,000	72,050	387,050	-	-	-
2030	330,000	56,300	386,300	-	-	-
2031	350,000	39,800	389,800	-	-	-
2032	360,000	29,300	389,300	-	-	-
2033	370,000	18,500	388,500	-	-	-
TOTALS	\$ 3,330,000	\$ 940,000	\$ 4,270,000	\$ 385,000	\$ 8,688	\$ 393,688

Fiscal Year Ending June 30th	2021 Refunding of 2012 Bonds - Capital Project			2022 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	315,000	10,000	325,000	100,000	6,668	106,668
2024	320,000	6,850	326,850	100,000	5,090	105,090
2025	320,000	3,650	323,650	100,000	4,250	104,250
2026	45,000	450	45,450	100,000	2,875	102,875
2027	-	-	-	100,000	1,000	101,000
TOTALS	\$ 1,000,000	\$ 20,950	\$ 1,020,950	\$ 500,000	\$ 19,883	\$ 519,883

COMPUTATION OF FULL VALUATION

Using Regular Equalization Rates

<u>Year of Assessment Roll:</u>		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Fiscal Years Ending June 30:</u>		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Taxable Assessed Valuation</u>						
City of:	Ogdensburg	\$ 1,991,560	\$ 2,455,055	\$ 2,209,944	\$ 2,209,203	\$ 2,216,612
Towns of:	Lisbon	149,390,670	150,984,371	152,602,660	155,318,043	156,636,885
	Madrid	1,705,348	1,710,609	1,694,975	1,694,342	1,678,985
	Waddington	1,413,604	1,422,527	1,424,936	1,459,676	1,480,027
Totals:		<u>\$ 154,501,182</u>	<u>\$ 156,572,562</u>	<u>\$ 157,932,515</u>	<u>\$ 160,681,264</u>	<u>\$ 162,012,509</u>
<u>State Equalization Rates</u>						
City of:	Ogdensburg	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:	Lisbon	84.00%	83.00%	82.00%	77.00%	75.00%
	Madrid	90.00%	89.50%	87.00%	86.00%	84.00%
	Waddington	98.00%	96.00%	91.50%	87.50%	86.00%
<u>Taxable Full Valuation</u>						
City of:	Ogdensburg	\$ 1,991,560	\$ 2,455,055	\$ 2,209,944	\$ 2,209,203	\$ 2,216,612
Town of:	Lisbon	177,846,036	181,908,881	186,100,805	201,711,744	208,849,180
	Madrid	1,894,831	1,911,295	1,948,247	1,970,165	1,998,792
	Waddington	1,442,453	1,481,799	1,557,307	1,668,201	1,720,962
Totals:		<u>\$ 183,174,880</u>	<u>\$ 187,757,030</u>	<u>\$ 191,816,303</u>	<u>\$ 207,559,313</u>	<u>\$ 214,785,545</u>

COMPUTATION OF FULL VALUATION

Using Special Equalization Ratios

<u>Year of Assessment Roll:</u>		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Fiscal Years Ending June 30:</u>		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Taxable Assessed Valuation</u>						
City of:	Ogdensburg	\$ 1,991,560	\$ 2,455,055	\$ 2,209,944	\$ 2,209,203	\$ 2,216,612
Towns of:	Lisbon	149,390,670	150,984,371	152,602,660	155,318,043	156,636,885
	Madrid	1,705,348	1,710,609	1,694,975	1,694,342	1,678,985
	Waddington	1,413,604	1,422,527	1,424,936	1,459,676	1,480,027
Totals:		<u>\$ 154,501,182</u>	<u>\$ 156,572,562</u>	<u>\$ 157,932,515</u>	<u>\$ 160,681,264</u>	<u>\$ 162,012,509</u>
<u>Special Equalization Ratios</u>						
City of:	Ogdensburg	98.70%	99.82%	100.40%	100.69%	100.96%
Towns of:	Lisbon	81.17%	76.07%	74.42%	73.79%	73.00%
	Madrid	85.87%	84.72%	82.86%	81.21%	79.21%
	Waddington	90.27%	86.15%	85.13%	84.04%	82.70%
<u>Taxable Full Valuation</u>						
City of:	Ogdensburg	\$ 2,017,791	\$ 2,459,482	\$ 2,201,139	\$ 2,194,064	\$ 2,195,535
Town of:	Lisbon	184,046,655	198,480,835	205,055,980	210,486,574	214,571,075
	Madrid	1,985,965	2,019,132	2,045,589	2,086,371	2,119,663
	Waddington	1,565,973	1,651,221	1,673,835	1,736,882	1,789,634
Totals:		<u>\$ 189,616,384</u>	<u>\$ 204,610,670</u>	<u>\$ 210,976,543</u>	<u>\$ 216,503,892</u>	<u>\$ 220,675,907</u>

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided,

- (i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated June 30, 2022 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C, D, E, F, G and other than any appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2022, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2022; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults, if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bond, unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bond, or other material events affecting the tax status of the Bond
 - (g) modifications to rights of Bondholders, if material
 - (h) Bond calls, if material and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bond
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the District

- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

For the purposes of the event identified in (ii) (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the District determines that any such other event is material with respect to the Bonds; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

- (iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The District reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its continuing disclosure undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District, provided that, the District agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Noteholders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the afordescribed material event notices, if any, on or before the date specified.

The District reserves the right to terminate its obligation to provide the afordescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

FORM OF OPINION OF BOND COUNSEL – THE BONDS

July 14, 2022

Lisbon Central School District
6866 Co. Rte. 10
Lisbon, New York 13658

Re: Lisbon Central School District, St. Lawrence County, New York
\$500,000 School District (Serial) Bonds, 2022 Series B

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance \$500,000 School District (Serial) Bonds, 2022 Series B (the “Bonds”) of the Lisbon Central School District, St. Lawrence County, New York (the “District”). The Bonds are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law, Local Finance Law, a bond resolution adopted by the Board of Education of the District on June 17, 2021, and a Certificate of Determination of the President of the Board of Education dated on or before July 14, 2022 relative to the form and terms of the Bonds.

In our opinion, the Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Bonds and interest thereon, without limitation of rate or amount. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Bonds is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Bonds, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Bonds and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such

as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Bonds as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

FORM OF OPINION OF BOND COUNSEL – THE NOTES

July 14, 2022

Lisbon Central School District
6866 Co. Rte. 10
Lisbon, New York 13658

Re: Lisbon Central School District, St. Lawrence County, New York
\$5,500,000 Bond Anticipation Notes, 2022 CUSIP No.:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$5,500,000 Bond Anticipation Notes, 2022 (the “Notes”), of the Lisbon Central School District, County of St. Lawrence, State of New York (the “District”). The Notes are dated July 14, 2022 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before July 14, 2022 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

**LISBON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2021

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

LISBON CENTRAL SCHOOL DISTRICT

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1 – 2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3 – 12
FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Activities	14
Balance Sheet – Governmental Funds	15
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Notes to Basic Financial Statements	19 – 59
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	60 – 61
Schedule of Changes in the District’s Total OPEB Liability and Related Ratios	62
Schedules of District Contributions – NYSLRS Pension Plans	63
Schedules of District’s Proportionate Share of the Net Pension (Asset) Liability – NYSLRS Pension Plans	64
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds	65
Combining Statements of Revenues, Expenditures, and Change in Fund Balances – Nonmajor Governmental Funds	66
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit– General Fund	67
Schedule of Capital Projects Fund – Project Expenditures and Financing Resources	68
Schedule of Investment in Capital Assets, Net of Related Debt	69
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	70 - 71
FEDERAL AWARD PROGRAM INFORMATION	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	72 - 73
Schedule of Expenditures of Federal Awards	74
Notes to Schedule of Expenditures of Federal Awards	75
Schedule of Findings and Questioned Costs	76
Summary Schedule of Prior Audit Findings	77



Pinto·Mucenski·Hooper
Van House & Co.
Certified Public Accountants, P.C.

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Education
Lisbon Central School District
Lisbon, 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 the Lisbon Central School District, as of and for the year ended June 30, 2021, 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 Lisbon Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, and the supplemental schedules on pages 60 through 64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lisbon Central School District's basic financial statements. The supplemental schedules on pages 65 through 69 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental schedules on pages 65 through 69 and the schedule of expenditures of federal awards 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 supplemental schedules on pages 65 through 69 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 21, 2021, on our consideration of the Lisbon Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lisbon Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lisbon Central School District's internal control over financial reporting and compliance.


Pruthi Mucinski Hooper Van House & Co.
Certified Public Accountants, P.C.

October 21, 2021

LISBON CENTRAL SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED JUNE 30, 2021

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

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased by \$ 685,474, which represents a 2.6% decrease from fiscal year 2020. Capital assets net decrease of \$ 156,480 is due to depreciation expense of \$ 883,888 and additions to capital assets of \$ 727,408. Deferred outflows of resources increased by \$ 7,619,171 and deferred inflows of resources decreased by \$ 2,776,818 mainly due to reporting requirements for OPEB benefits.
- General revenues accounted for \$ 12,963,788 in revenue, or 91.8% of all fiscal year 2021 revenues. Program specific revenues in the form of program charges for services, grants, and contributions accounted for \$ 1,428,591 or 10.1% of total fiscal year 2021 revenues.
- The District had \$ 14,896,203 in expenses related to governmental activities, of which \$ 1,428,591 of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$ 12,963,788 were adequate to provide for the remaining costs of these programs.
- Among major funds, the General Fund had \$ 12,963,788 in fiscal year 2021 revenues, which primarily consisted of state aid and property taxes, and \$ 11,536,959 in expenditures. The General Fund's fund balance decreased from \$ 4,414,731 as of June 30, 2020, to \$ 3,897,685 as of June 30, 2021.

OVERVIEW OF 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 School District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The *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 School 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 School District's budget for the year.

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

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
	District Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except Fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
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/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$ 26,919,549 as of June 30, 2021.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, and furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net position for the fiscal year ended June 30, 2021.

	June 30, 2021	June 30, 2020	Increase/ (Decrease)	Percentage Change
Current and Other Assets	\$ 5,323,850	\$ 6,522,316	\$ (1,198,466)	-18.37%
Capital Assets, Net	15,495,988	15,652,468	(156,480)	-1.00%
Total Assets	20,819,838	22,174,784	(1,354,946)	-6.11%
Deferred Outflows of Resources	11,852,254	4,233,083	7,619,171	179.99%
Total Assets and Deferred Outflows of Resources	<u>\$ 32,672,092</u>	<u>\$ 26,407,867</u>	<u>\$ 6,264,225</u>	23.72%
Current Liabilities	\$ 1,873,631	\$ 1,809,045	\$ 64,586	3.57%
Long-Term Liabilities	50,230,339	40,689,115	9,541,224	23.45%
Total Liabilities	52,103,970	42,498,160	9,605,810	22.60%
Deferred Inflows of Resources	7,365,150	10,141,968	(2,776,818)	-27.38%
Total Liabilities and Deferred Inflows of Resources	<u>59,469,120</u>	<u>52,640,128</u>	<u>6,828,992</u>	12.97%
Net Position				
Net Investment in Capital Assets	10,155,988	10,322,468	(166,480)	-1.61%
Restricted	3,901,328	4,036,736	(135,408)	-3.35%
Unrestricted (Deficit)	<u>(40,854,344)</u>	<u>(40,591,465)</u>	<u>(262,879)</u>	0.65%
Total Net Position (Deficit)	<u>(26,797,028)</u>	<u>(26,232,261)</u>	<u>(564,767)</u>	2.15%
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 32,672,092</u>	<u>\$ 26,407,867</u>	<u>\$ 6,264,225</u>	23.72%

The following are significant current year transactions that have had an impact on the Condensed Statement of Net Assets.

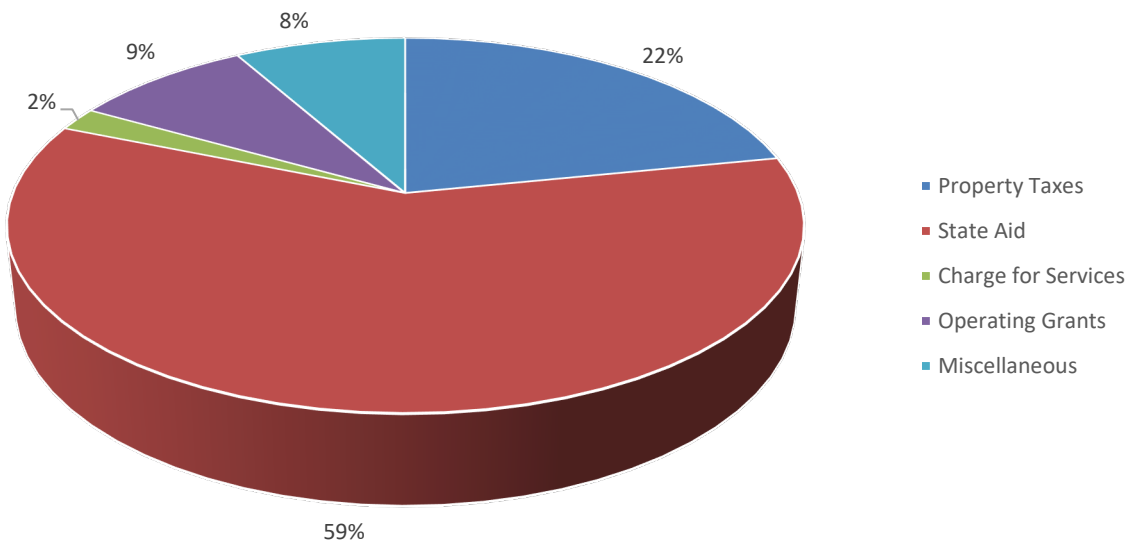
- An increase of \$ 9,541,224 in Long-Term Liabilities is mainly due to GASB #75 required reporting of OPEB.
- An increase to Deferred Outflows of Resources of \$ 7,619,171 and a decrease to Deferred Inflows of Resources of \$ 2,776,818, the net change to deferred resources is \$ 4,842,353 for the year.

The following table presents a summary of the changes in the net position for the fiscal years ended June 30, 2021 and 2020.

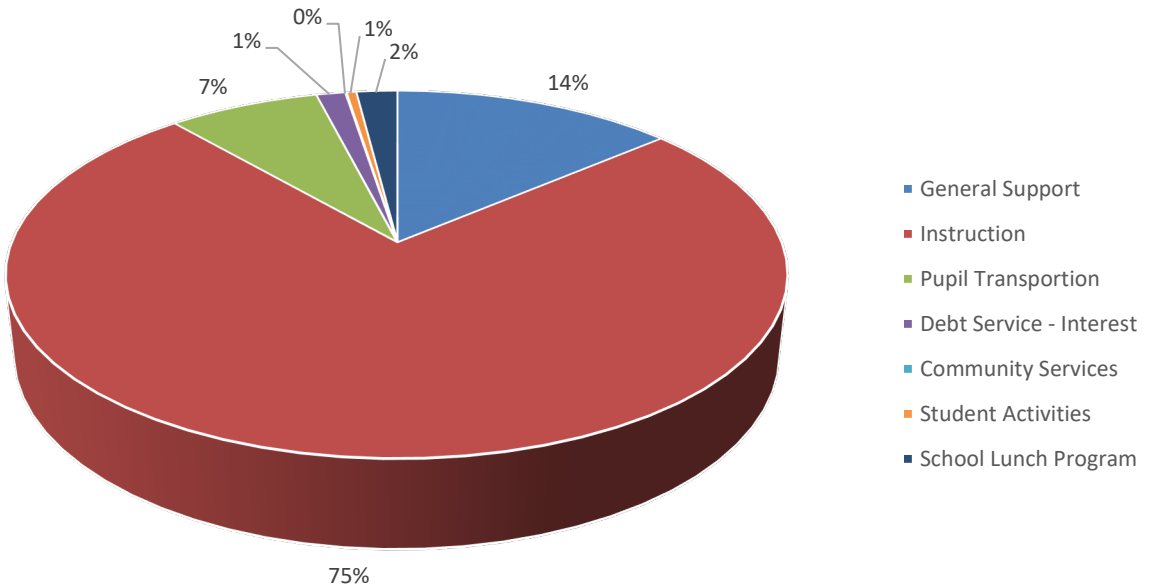
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 285,832	\$ 293,234	\$ (7,402)	-2.52%
Operating Grants and Contributions	1,224,678	860,369	364,309	42.34%
General Revenues				
Property Taxes	3,102,434	3,032,043	70,391	2.32%
Other Real Property Tax Items	622,509	648,837	(26,328)	-4.06%
State Aid	8,434,525	8,771,281	(336,756)	-3.84%
Interest Earnings	5,580	56,392	(50,812)	-90.10%
Other	<u>535,171</u>	<u>524,217</u>	<u>10,954</u>	2.09%
Total Revenues	<u>14,210,729</u>	<u>14,186,373</u>	<u>24,356</u>	0.17%
Expenses				
General Support	2,049,984	2,158,170	(108,186)	-5.01%
Instruction	11,154,865	10,382,042	772,823	7.44%
Pupil Transportation	1,101,562	793,222	308,340	38.87%
Community Services	8,595	-	8,595	100.00%
Debt Service - Interest	211,578	270,186	(58,608)	-21.69%
Cost of Sales - Food	298,073			
Cost of Sales - Food	<u>71,546</u>	<u>227,619</u>	<u>(156,073)</u>	-68.57%
Total Expenses	<u>14,896,203</u>	<u>13,831,239</u>	<u>1,064,964</u>	7.70%
Increase/(Decrease) in Net Position	<u>\$ (685,474)</u>	<u>\$ 355,134</u>	<u>\$ (1,040,608)</u>	-293.02%

The District's total revenues were \$ 14,210,729, an increase of \$ 24,356 from fiscal year 2019-20. The District's total expenses were \$ 14,896,203, which reflects a increase of \$ 1,064,964 over the previous year.

Sources of Revenue for Fiscal Year 2021



Expenses for Fiscal Year 2021



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

Governmental activities. The following table presents the cost of the five major District functional activities: instruction, general support, student transportation services, operation of non-instructional services, and interest on long-term debt. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	Total Expenses	Net (Expense) Revenue
Instruction	\$ 11,154,865	\$ (10,306,810)
General Support	2,049,984	(2,049,984)
Pupil transportation	1,101,562	(1,101,562)
Community Services	8,595	(1,579)
Debt Service – Interest	211,578	(211,578)
School Lunch Program	298,073	282,463
Student Activities	71,546	3,357
Total Expenses	<u>\$ 14,896,203</u>	<u>\$ (13,385,693)</u>

- The cost of all governmental activities this year was \$ 13,385,693.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenue of \$ 1,510,510.
- Net cost of governmental activities (\$ 13,385,693) was financed by general revenues, which are made up of primarily property taxes \$ 3,724,943 and state aid \$ 8,434,525. All other revenues accounted for \$ 540,751 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. For the 2020-2021 school year, the District's unassigned fund balance was \$ 180,918. The breakdown is as follows:

- \$ 435,931 General Fund
- \$ (255,013) Capital Projects Fund

The unassigned fund balance in the General Fund reflects a decrease of \$ 73,476 from the previous year.

The remaining fund balance totaling \$ 3,901,328 is restricted, assigned, or non-spendable to indicate that it is not available for spending because it has been committed as follows:

- \$ 358,589 for Unemployment Insurance
- \$ 159,121 for Capital Projects
- \$ 983,224 to pay Debt Service
- \$ 348,967 for Employee Benefits
- \$ 111,960 for Retirement Contributions
- \$ 1,497,309 designated for 2021-2022 expenditures
- \$ 2,584 Encumbrances
- \$ 24,362 for Inventory
- \$ 292,691 Assigned for School Lunch
- \$ 49,686 Student Scholarships
- \$ 72,835 Student Activities

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2021, the District had invested \$ 31,263,128 in capital assets, including land, school buildings, site improvements, vehicles, and furniture and equipment. Depreciation expense for the year amounted to \$ 883,888.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2021.

Capital Assets (net of depreciation)

	Beginning	Ending	Increase/ (Decrease)	Percentage Change
Land	\$ 5,051	\$ 5,051	\$ -	0.00%
Construction in Progress	-	255,013	255,013	100.00%
Buildings	15,102,402	14,335,889	(766,513)	-5.35%
Land/Site Improvement	225,742	198,591	(27,151)	-13.67%
Furniture, Equipment and Vehicles	319,273	701,444	382,171	54.48%
	<u>\$ 15,652,468</u>	<u>\$ 15,495,988</u>	<u>\$ (156,480)</u>	-1.01%

Debt Administration. At year-end, the District had \$ 5,340,000 in serial bonds of which \$ 625,000 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2021.

Outstanding Long-Term Debt

	Beginning	Ending	Increase/ (Decrease)	Percentage Change
Serial Bonds	\$ 5,330,000	\$ 5,340,000	\$ 10,000	0.19%
Premium on Bond	-	18,264	18,264	100.00%
Compensated Absences	350,653	262,259	(88,394)	-33.70%
Net Pension Liability	614,928	628,566	13,638	2.17%
OPEB	34,367,349	44,613,277	10,245,928	22.97%
	<u>\$ 40,662,930</u>	<u>\$ 50,862,366</u>	<u>\$ 10,199,436</u>	20.05%

The District maintains an “A” rating from Standard & Poor with a stable outlook.

State statutes currently limit the amount of general obligation debt a District may issue to a maximum of 5% of the average full value of its last five years’ tax rolls. The current debt limitation for the District is \$ 9,953,982.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Each year, Lisbon Central School District works hard to present its constituents with a fair and balanced budget that preserves educational programs and services, and expands opportunities to guide success for all students. While state aid has not been keeping up with increased costs, and the property tax cap further limits our ability to provide these opportunities, we have taken advantage of operational efficiencies and shared services.

The Board of Education has prepared Board Goals that includes utilizing available district resources, in a fiscally sound manner, for the benefit of students, staff, and taxpayers. In the coming school year, the District will move forward to develop a 5-year budget plan that will include core investment in personnel, processes, and technology, and will provide the Board with the resources necessary to make progress toward implementing their goal.

Economic uncertainty is a major factor that often makes it difficult to accurately project future budgets. With a questionable economic environment, it is difficult to project the financial impact on the school district. The COVID-19 pandemic has also cast much uncertainty on School Districts’ budgets. In March 2020 the Federal Government passed the CARES Act. The American Rescue Plan was also signed into law in March of 2021. While these are only temporary assistance, the District will continue to monitor the full effects of the COVID-19 pandemic. This funding is expected to provide temporary assistance, but the funding uncertainty will definitely impact the building of the 2023 budget and beyond.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Office, Lisbon Central School, 6866 County Route 10, Lisbon, New York 13658.

LISBON CENTRAL SCHOOL DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>6/30/2021</u>
ASSETS	
Cash	
Unrestricted	\$ 2,190,666
Restricted	2,084,382
Receivables	
State and Federal Aid	519,326
Due from Other Governments	505,114
Inventories	24,362
Capital Assets	
Not Being Depreciated	260,064
Being Depreciated, Net of Accumulated Depreciation	<u>15,235,924</u>
Total Assets	<u>20,819,838</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other Post Employment Benefits	9,195,762
Pensions	<u>2,656,492</u>
Total Deferred Outflows of Resources	<u>11,852,254</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 32,672,092</u>
LIABILITIES	
Payables	
Accounts Payable	\$ 123,667
Accrued Liabilities	598,393
Long-Term Liabilities	
Due and Payable Within One Year	
Serial Bonds	625,000
Premium on Bond	7,027
Due to Teachers' Retirement System	407,817
Due to Employees' Retirement System	25,019
Compensated Absences Payable	86,708
Due and Payable After One Year	
Serial Bonds	4,715,000
Premium on Bond	11,237
Compensated Absences Payable	262,259
Other Post Employment Benefits	44,613,277
Net Pension Liability - Proportionate Share	<u>628,566</u>
Total Liabilities	<u>52,103,970</u>
DEFERRED INFLOWS OF RESOURCES	
Other Post Employment Benefits	6,208,058
Pensions	<u>1,157,092</u>
Total Deferred Inflows of Resources	<u>7,365,150</u>
NET POSITION	
Investment in Capital Assets - Net of Related Debt	10,155,988
Restricted	3,901,328
Unrestricted (Deficit)	<u>(40,854,344)</u>
Total Net Position	<u>(26,797,028)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 32,672,092</u>

See Notes to Financial Statements.

LISBON CENTRAL SCHOOL DISTRICT

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

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
	Expenses	Services	Grants	Changes in
				Net Position
FUNCTIONS/PROGRAMS				
General Support	\$ 2,049,984	\$ -	\$ -	\$ (2,049,984)
Instruction	11,154,865	181,790	666,265	(10,306,810)
Pupil Transportation	1,101,562	-	-	(1,101,562)
Community Services	8,595	-	7,016	(1,579)
Debt Service - Interest	211,578	-	-	(211,578)
School Food Service	298,073	29,139	551,397	282,463
Student Activities	<u>71,546</u>	<u>74,903</u>	<u>-</u>	<u>3,357</u>
Total Functions and Programs	<u>\$ 14,896,203</u>	<u>\$ 285,832</u>	<u>\$ 1,224,678</u>	<u>(13,385,693)</u>
GENERAL REVENUES				
Real Property Taxes				3,102,434
Other Tax Items				622,509
Use of Money and Property				50,073
Sale of Property and Compensation for Loss				40,025
Miscellaneous				450,653
State Sources				<u>8,434,525</u>
Total General Revenues				<u>12,700,219</u>
Change in Net Position				(685,474)
Total Net Position - Beginning of Year, as previously reported				(26,232,261)
Restatement (Note 15)				<u>120,707</u>
Total Net Position - Beginning of Year, as restated				<u>(26,111,554)</u>
Total Net Position - End of Year				<u>\$ (26,797,028)</u>

LISBON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Aid	School Food Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash						
Unrestricted Cash	\$ 2,185,440	\$ -	\$ 5,226	\$ -	\$ -	\$ 2,190,666
Restricted Cash	1,961,861	-	-	-	122,521	2,084,382
Receivables						
State and Federal Aid	245,209	184,110	90,007	-	-	519,326
Due from Other Funds	462,569	-	211,415	-	-	673,984
Due from Other Governments	439,737	65,377	-	-	-	505,114
Inventories	-	-	24,362	-	-	24,362
 Total Assets	 <u>\$ 5,294,816</u>	 <u>\$ 249,487</u>	 <u>\$ 331,010</u>	 <u>\$ -</u>	 <u>\$ 122,521</u>	 <u>\$ 5,997,834</u>
LIABILITIES						
Payables						
Accounts Payable	\$ 122,706	\$ -	\$ 961	\$ -	\$ -	\$ 123,667
Accrued Liabilities	543,466	41,931	12,996	-	-	598,393
Due to Other Funds	211,415	207,556	-	255,013	-	673,984
Due to Teachers' Retirement System	407,817	-	-	-	-	407,817
Due to Employees' Retirement System	25,019	-	-	-	-	25,019
Compensated Absences Payable	86,708	-	-	-	-	86,708
 Total Liabilities	 <u>1,397,131</u>	 <u>249,487</u>	 <u>13,957</u>	 <u>255,013</u>	 <u>-</u>	 <u>1,915,588</u>
FUND BALANCES						
Committed	2,584	-	-	-	-	2,584
Nonspendable	-	-	24,362	-	-	24,362
Restricted	1,961,861	-	-	-	122,521	2,084,382
Assigned	1,497,309	-	292,691	-	-	1,790,000
Unassigned	435,931	-	-	(255,013)	-	180,918
 Total Fund Balances	 <u>3,897,685</u>	 <u>-</u>	 <u>317,053</u>	 <u>(255,013)</u>	 <u>122,521</u>	 <u>4,082,246</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,294,816</u>	 <u>\$ 249,487</u>	 <u>\$ 331,010</u>	 <u>\$ -</u>	 <u>\$ 122,521</u>	 <u>\$ 5,997,834</u>

LISBON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund Balances (Deficit) - Total Governmental Funds	\$ 4,082,246
--	--------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.	15,495,988
---	------------

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds Payable	(5,340,000)
---------------	-------------

Amortized Bond Premium	(18,264)
------------------------	----------

Compensated Absences	(262,259)
----------------------	-----------

Pension obligation activity:

TRS Net pension liability - Proportionate share	\$ (626,216)	
ERS Net pension liability - Proportionate share	(2,350)	
TRS Deferred outflows of resources	2,168,234	
ERS Deferred outflows of resources	488,258	
TRS Deferred inflows of resources	(471,842)	
ERS Deferred inflows of resources	<u>(685,250)</u>	
		870,834

Other postemployment benefit activity:

Total other post employment benefit liability	(44,613,277)	
Deferred outflows of resources	9,195,762	
Deferred inflows of resources	<u>(6,208,058)</u>	
		<u>(41,625,573)</u>

Net Position of Governmental Activities	<u>\$ (26,797,028)</u>
---	------------------------

LISBON CENTRAL SCHOOL DISTRICT

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

	General	Special Aid	School Food Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Property Taxes	\$ 3,102,434	\$ -	\$ -	\$ -	\$ -	\$ 3,102,434
Other Tax Items	622,509	-	-	-	-	622,509
Charges for Services	181,790	-	-	-	-	181,790
Use of Money and Property	50,036	-	1	-	36	50,073
Sale of Property and Compensation for Loss	40,025	-	-	-	-	40,025
Miscellaneous	370,595	80,012	46	-	81,919	532,572
State Sources	8,434,525	148,252	18,114	-	-	8,600,891
Federal Sources	161,874	356,139	533,283	-	-	1,051,296
Sales - School Food Service	-	-	29,139	-	-	29,139
Total Revenues	<u>12,963,788</u>	<u>584,403</u>	<u>580,583</u>	<u>-</u>	<u>81,955</u>	<u>14,210,729</u>
EXPENDITURES						
General Support	1,551,196	72,540	127,362	52,000	-	1,803,098
Instruction	6,659,402	507,378	-	-	-	7,166,780
Community Services	-	-	-	-	8,595	8,595
Pupil Transportation	1,468,145	-	-	-	-	1,468,145
Employee Benefits	3,547,522	23,740	39,472	-	-	3,610,734
Debt Service						
Principal	510,000	-	-	-	-	510,000
Interest	200,314	-	-	13,895	-	214,209
Cost of Sales	-	-	212,878	-	-	212,878
Other Expenditures	-	-	15,230	-	71,546	86,776
Capital Outlay	-	-	-	255,013	-	255,013
Total Expenditures	<u>13,936,579</u>	<u>603,658</u>	<u>394,942</u>	<u>320,908</u>	<u>80,141</u>	<u>15,336,228</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(972,791)</u>	<u>(19,255)</u>	<u>185,641</u>	<u>(320,908)</u>	<u>1,814</u>	<u>(1,125,499)</u>
OTHER FINANCING SOURCES (USES)						
Premium on Bond	-	-	-	20,895	-	20,895
Proceeds from Bond Issuance	475,000	-	-	-	-	475,000
Proceeds from Issuance of Refunding Bonds	-	-	-	1,605,000	-	1,605,000
Payment to Refunded Bond Escrow Agent	-	-	-	(1,560,000)	-	(1,560,000)
Operating Transfers In	-	19,255	-	-	-	19,255
Operating Transfers (Out)	(19,255)	-	-	-	-	(19,255)
Total Other Financing Sources (Uses)	<u>455,745</u>	<u>19,255</u>	<u>-</u>	<u>65,895</u>	<u>-</u>	<u>540,895</u>
Net Change in Fund Balances	(517,046)	-	185,641	(255,013)	1,814	(584,604)
Fund Balance - Beginning of Year, as previously reported	4,414,731	-	131,412	-	-	4,546,143
Restatement (Note 15)	-	-	-	-	120,707	120,707
Fund Balance - Beginning of Year, as restated	<u>4,414,731</u>	<u>-</u>	<u>131,412</u>	<u>-</u>	<u>120,707</u>	<u>4,666,850</u>
Fund Balance - End of Year	<u>\$ 3,897,685</u>	<u>\$ -</u>	<u>\$ 317,053</u>	<u>\$ (255,013)</u>	<u>\$ 122,521</u>	<u>\$ 4,082,246</u>

LISBON CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - Total Governmental Funds	\$	(584,604)
--	----	-----------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than \$ 5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of related losses on disposal of capital assets.

	\$	255,013	
Capital Outlays		472,395	
Additions to Assets		<u>(883,888)</u>	
Depreciation Expense			(156,480)

Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.		510,000
--	--	---------

Proceeds of long-term debt is recorded as an other financing source for Governmental Funds but it is not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current period.		(520,000)
--	--	-----------

Premium on Bond Obligations are recorded as an other financing source for Governmental Funds but it is not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current period.		(20,895)
--	--	----------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because bond premiums are amortized on the Statement of Activities while the governmental funds report only the interest paid.		2,631
---	--	-------

(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the Governmental Funds.		50,436
---	--	--------

On the Statement of Activities, the actual and projected long term income (expense) for post employment benefits are reported whereas on the Governmental Funds only the actual expenditures are recorded for post employment benefits.		75,641
---	--	--------

(Increases) decreases in proportionate share of net pension assets / liabilities, prepaid pension expenditures, and deferred inflows/outflows of resources - pensions 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 Governmental Funds.

	(157,801)	
TRS	115,598	
ERS	<u>(42,203)</u>	

Change in net position of governmental activities	\$	<u><u>(685,474)</u></u>
---	----	-------------------------

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lisbon Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below.

A) REPORTING ENTITY

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

Extraclassroom Activity Fund

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) JOINT VENTURE

The District is a component district in the St. Lawrence-Lewis Counties Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed \$ 2,930,978 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$ 967,547.

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

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 non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) BASIS OF PRESENTATION (Continued)

1. District-Wide Statements (Continued)

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

2. Funds Statements

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

The District reports the following major governmental 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, child nutrition and school store operations or 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. The Special Revenue Funds classified as major are:

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

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) BASIS OF PRESENTATION (Continued)

2. Funds Statements (Continued)

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. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following nonmajor governmental funds:

Extraclassroom Activities Fund – This fund accounts for the activities of the student run clubs and organizations of the District.

Miscellaneous Special Revenue Fund – This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the District for specific purposes.

The District reports the following fiduciary fund:

Custodial Fund – These funds account for assets held by the District in a purely custodial capacity on a temporary basis. No custodial assets were held as of the year ended June 30, 2021.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental funds 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 90 days (60 days for property taxes) after the end of the fiscal year as it matches the liquidation of related obligations.

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

E) PROPERTY TAXES

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

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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) INTER-FUND TRANSACTIONS

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

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

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

Refer to Note 10 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures, and revenues activity.

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Investments are stated at fair value.

J) ACCOUNTS RECEIVABLE

Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) INVENTORIES AND PREPAID ITEMS

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of 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 receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L) OTHER ASSETS/RESTRICTED ASSETS

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

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M) CAPITAL ASSETS

Capital assets are reported at actual cost or estimated historical cost, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received. Land and construction in process are not depreciated.

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>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land/Site Improvements	\$ 5,000	Straight Line	40 Years
Building and Improvements	5,000	Straight Line	40 Years
Furniture and Equipment	1,000	Straight Line	5-15 Years
Infrastructure	5,000	Straight Line	40 Years

N) 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. If applicable, the District has four 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.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

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 proportionate share of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position 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 four 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 proportionate share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O) PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

Plan Descriptions and Benefits Provided

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.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

Teachers' Retirement System (TRS) (Continued)

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.

Employees' Retirement System (ERS)

The district participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (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 with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

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

The District's contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	<u>TRS</u>	<u>ERS</u>
2020 - 2021	\$ 340,798	\$ 95,164
2019 - 2020	\$ 402,940	\$ 110,306
2018 - 2019	\$ 354,810	\$ 109,703

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

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

At June 30, 2021, 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, 2021 for ERS and June 30, 2020 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.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

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

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	March 31, 2021	June 30, 2020
Net Pension Asset/(Liability)	\$ (2,350)	\$ (626,216)
District's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0023597%	0.0226620%

For the year ended June 30, 2021, the District recognized its proportionate share of pension expense (income) of \$ 115,598 for ERS and \$ (157,801) for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>		<u>Deferred Inflows</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Difference Between Expected and Actual Experience	\$ 28,696	\$ 548,690	\$ -	\$ 32,092
Changes of Assumptions	432,024	792,017	8,148	282,313
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	408,974	674,957	-
Changes in Proportion and Difference Between the District's Contributions and Proportionate Share of Contributions	27,538	77,755	2,145	157,437
District's Contributions Subsequent to the Measurement Date	<u>-</u>	<u>340,798</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 488,258</u>	<u>\$ 2,168,234</u>	<u>\$ 685,250</u>	<u>\$ 471,842</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

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

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2022 for ERS and June 30, 2021 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	<u>ERS</u>	<u>TRS</u>
2021	\$ -	\$ 233,577
2022	(29,571)	482,075
2023	(5,631)	366,505
2024	(32,235)	238,105
2025	(129,555)	6,215
Thereafter	<u>-</u>	<u>29,117</u>
	<u>\$ (196,992)</u>	<u>\$ 1,355,594</u>

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2021	6/30/2020
Actuarial Valuation Date	4/1/2020	6/30/2019
Interest Rate	5.9%	7.10%
Salary Scale	4.4%	1.90% - 4.72%
Decrement Tables	4/1/2015 – 3/31/2020 Systems Experience	7/1/2009 - 6/30/2014 Systems Experience
Inflation Rate	2.70%	2.20%
Cost of Living Adjustment	1.40%	1.30%

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

Actuarial Assumptions (Continued)

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' 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, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 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 expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

Actuarial Assumptions (Continued)

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Measurement Date	3/31/2021	3/31/2021
Asset Class:		
Domestic Equity	32.0%	4.05%
International Equity	15.0%	6.30%
Private Equity	10.0%	6.75%
Real Estate Equity	9.0%	4.95%
Opportunistic/ARS Portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real Assets	3.0%	5.95%
Fixed Income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100.00%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.0%.

<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Measurement Date	6/30/2020	6/30/2020
Asset Class:		
Domestic Equity	33.0%	7.10%
International Equity	16.0%	7.70%
Global Equity	4.0%	7.40%
Real Estate Equity	11.0%	6.80%
Private Equity	8.0%	10.40%
Domestic Fixed Income	16.0%	1.80%
Global Bonds	2.0%	1.00%
High-Yield Bonds	1.0%	3.90%
Private Debt	1.0%	5.20%
Real Estate Debt	7.0%	3.60%
Cash Equivalents	1.0%	0.70%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.2%.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.90% for ERS and 7.10% 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 determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

The following presents the District's proportionate share of the net pension asset (liability) as of June 30, 2021 calculated using the discount rate of 5.90% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 6.10% for TRS) or 1-percentage point higher (6.90% for ERS and 8.10% for TRS) than the current rate:

	1% Decrease (6.10)%	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
District's Proportionate Share of the Net Pension Asset (Liability)	<u>\$ (3,955,588)</u>	<u>\$ (626,216)</u>	<u>\$ 2,167,972</u>

	1% Decrease (4.90)%	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's Proportionate Share of the Net Pension Asset (Liability)	<u>\$ (652,171)</u>	<u>\$ (2,350)</u>	<u>\$ 596,938</u>

Changes of Assumptions

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.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) PENSION OBLIGATIONS (Continued)

Collective Pension Expense

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/(income) for the year ended June 30, 2021 is \$ 115,598 for ERS and \$ (157,801) for TRS.

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS covered wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$ 407,817.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$ 25,019.

P) UNEARNED CREDITS

The District reports unearned credits on its statement of net position. On the statement of net position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned credits is removed and revenue is recorded.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q) VESTED EMPLOYEE BENEFITS

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation 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 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 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 funds statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

R) OTHER BENEFITS

Eligible District employees participate in the New York State Teacher's Retirement System or the New York State and Local Employee's Retirement System. District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

T) ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T) ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS
(Continued)

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:

Net Investment in Capital Assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

Restricted Net Position – Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

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

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory recorded in the School Food Service Fund of \$ 24,362.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) EQUITY CLASSIFICATIONS (Continued)

Capital

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

Debt Service

According to General Municipal Law §6-1, this Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) EQUITY CLASSIFICATIONS (Continued)

Retirement Contributions

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

Unemployment Insurance

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

Restricted Fund Balance includes the following as of June 30, 2021:

General Fund	
Capital	\$ 159,120
Employee Benefit Accrued Liability	348,967
Reserve for Debt	983,224
Retirement Contribution Reserve	111,961
Unemployment Insurance	358,589
Miscellaneous Special Revenue	49,686
Extraclassroom Activities	<u>72,835</u>
Total Restricted Funds	<u>\$ 2,084,382</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) EQUITY CLASSIFICATIONS (Continued)

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District has a committed fund balance of \$ 2,584 as of June 30, 2021.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. The District had assigned fund balance of \$ 1,497,309 in the General Fund and \$ 292,691 in the School Food Service Fund for a total assigned fund balance of \$ 1,790,000 as of June 30, 2021.

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. The District had unassigned fund balance of \$ 435,931 in the General Fund as of June 30, 2021.

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

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Net Position

The District's policy is to apply expenditures against restricted net position first and then unrestricted net position at the end of the fiscal year.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) EQUITY CLASSIFICATIONS (Continued)

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

V) NEW ACCOUNTING STANDARDS

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standard issued by GASB.

GASB Statement No. 84, *Fiduciary Activities*, effective for the year ending June 30, 2021.

GASB Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interest*, effective for the year ending June 30, 2021.

W) FUTURE CHANGES IN ACCOUNTING STANDARDS

GASB has issued Statement No. 87, *Leases*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W) FUTURE CHANGES IN ACCOUNTING STANDARDS (Continued)

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2021 (paragraphs 11b, 13, and 14 are effective for the year ending June 30, 2022).

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 2020).

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

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN 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 district-wide statements, compared with the current financial resources focus of the governmental funds.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)

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

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

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

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

Long-Term Revenue and Expense Differences:

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

Capital Related Differences:

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

Long-Term Debt Transaction Differences:

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)

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

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.

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 - CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. See note 15 for the financial statement impact of the implementation of the statement.

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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:

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

Appropriations are adopted at the program line item level.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - STEWARDSHIP AND COMPLIANCE (Continued)

Budgets (Continued)

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2021.

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

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid. The District has encumbrances of \$ 2,584 as of June 30, 2021.

The portion of the District's fund balance subject to New York State Real Property Tax Law §1318 limit complied with the amount allowable, which is 4% of the District's budget for the upcoming school year.

The Capital Projects Fund had a deficit balance of \$ 255,013. This will be funded when the District obtains permanent financing for its current construction project.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS

Cash

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	\$ <u> -</u>
Collateralized with securities held by the pledging financial institution's Trust Department or agent, but not in the District's name.	\$ <u> 211,918 </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 \$ 1,961,861 restricted for various fund balance reserves in the general fund, \$ 72,835 restricted for extraclassroom and \$ 49,686 restricted for scholarships.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Manager of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposits.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS
(Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

NOTE 6 - INVESTMENTS

The District typically has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes.

Investment Pool

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, §119-N and O, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2021, the District held \$ 3,937,559 in these investments consisting of various agreements in securities issued by the United States and its agencies. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year-end are \$ 3,369,964,660, which consisted of \$ 371,757,483 in repurchase agreements, \$ 1,940,950,074 in U.S. Treasury Securities, and \$ 1,057,257,103 in collateralized bank deposits with various interest rates and due dates.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - INVESTMENTS (Continued)

The following amounts are included as unrestricted and restricted cash.

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Description of Investments</u>
General	\$ 3,937,559	\$ 3,937,559	NYCLASS

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of New York Class.

NOTE 7 - RECEIVABLES

Receivables at year-end for individual major funds are as follows.

<u>Description</u>	<u>Governmental Activities</u>			
	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Total</u>
State and Federal Aid Receivables	\$ 245,209	\$ 184,110	\$ 90,007	\$ 519,326
Other Government Receivables	<u>439,737</u>	<u>65,377</u>	<u>-</u>	<u>505,114</u>
Total	<u>\$ 684,946</u>	<u>\$ 249,487</u>	<u>\$ 90,007</u>	<u>\$ 1,024,440</u>

District management has deemed the amounts to be fully collectible.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 5,051	\$ -	\$ -	\$ 5,051
Construction in Progress	-	255,013	-	255,013
Total Non-Depreciable	<u>5,051</u>	<u>255,013</u>	<u>-</u>	<u>260,064</u>
Capital Assets being Depreciated				
Land/Site Improvements	668,332	-	-	668,332
Buildings	28,785,608	-	-	28,785,608
Furniture, Equipment, and Vehicles	<u>1,336,793</u>	<u>472,395</u>	<u>-</u>	<u>1,809,188</u>
Total Depreciable Assets	<u>30,790,733</u>	<u>472,395</u>	<u>-</u>	<u>31,263,128</u>
Less Accumulated Depreciation				
Land/Site Improvements	442,590	27,151	-	469,741
Buildings	13,683,206	766,513	-	14,449,719
Furniture, Equipment, and Vehicles	<u>1,017,520</u>	<u>90,224</u>	<u>-</u>	<u>1,107,744</u>
Total Accumulated Depreciation	<u>15,143,316</u>	<u>883,888</u>	<u>-</u>	<u>16,027,204</u>
Total Depreciated Assets, Net	<u>15,647,417</u>	<u>(411,493)</u>	<u>-</u>	<u>15,235,924</u>
Total Assets	<u>\$ 15,652,468</u>	<u>\$ (156,480)</u>	<u>\$ -</u>	<u>\$ 15,495,988</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - LONG-TERM DEBT OBLIGATIONS

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources. Noncurrent liability balances and activity are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities					
Serial Bonds Payable					
Serial Bonds	<u>\$ 5,330,000</u>	<u>2,080,000</u>	<u>\$ 2,070,000</u>	<u>\$ 5,340,000</u>	<u>\$ 625,000</u>
Other Liabilities					
Net Pension Liability					
Proportionate Share	614,928	13,638	-	628,566	Unknown
Other Post Employment					
Benefit Obligations	34,367,349	10,245,928	-	44,613,277	Unknown
Premium on Bond	-	20,895	2,631	18,264	7,027
Compensated Absences*	<u>389,272</u>	<u>-</u>	<u>127,013</u>	<u>262,259</u>	<u>Unknown</u>
Total Other Liabilities	<u>35,371,549</u>	<u>10,280,461</u>	<u>129,644</u>	<u>45,522,366</u>	<u>Unknown</u>
Total Long – Term Liabilities	<u>\$40,701,549</u>	<u>\$12,360,461</u>	<u>\$ 2,199,644</u>	<u>\$50,862,366</u>	<u>\$ 632,027</u>

**Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.*

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

The following is a summary of debt service requirements for bonds payable:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 625,000	\$ 183,670	\$ 808,670
2023	645,000	166,038	811,038
2024	665,000	150,128	815,128
2025	680,000	179,350	859,350
2026	415,000	155,100	570,100
2027-2031	1,580,000	429,850	2,009,850
2032-2035	<u>730,000</u>	<u>47,800</u>	<u>777,800</u>
	<u>\$ 5,340,000</u>	<u>\$ 1,311,936</u>	<u>\$ 6,651,936</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - LONG-TERM DEBT OBLIGATIONS (Continued)

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provisions will be in the General Fund's future budgets for capital indebtedness. Serial Bonds Payable consisted of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial Bonds - 2019	6/15/2019	6/15/2033	Variable	\$ 3,555,000
Serial Bonds - 2020	10/29/2020	10/15/2025	Variable	475,000
Serial Bonds - 2021	2/15/2021	6/15/2026	1.00%	<u>1,310,000</u>
				<u>\$ 5,340,000</u>

Debt Refunding

On February 4, 2021, the District issued \$ 1,605,000 of Refunding Serial Bonds, with an interest rate of 1.00%. The net proceeds of \$ 1,625,895 (after issuance costs of \$ 52,000, plus premium of \$ 20,895) were used to refund serial bonds with a total principal amount of \$ 1,560,000 and an average interest rate of 2.92%.

The refunding reduced the District's total debt services payments by approximately \$ 36,218. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of \$ 37,541.

NOTE 10 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund receivables and payables, other than between governmental 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. All interfund payables are expected to be repaid within one year. Interfund transactions and balances are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General	\$ 462,569	\$ 211,415	\$ -	\$ 19,255
Special Aid	-	207,556	19,255	-
School Food Service	211,415	-	-	-
Capital Projects	-	255,013	-	-
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total				
Government Activities	<u>\$ 673,984</u>	<u>\$ 673,984</u>	<u>\$ 19,255</u>	<u>\$ 19,255</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS (Continued)

The District typically transfers from the General Fund to the School Food Service Fund, to sustain operations of the School Cafeteria.

The District typically transfers from the General Fund to the Special Aid Fund to cover District costs of funded programs not covered completely by the grants which require some District participation.

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

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

NOTE 11 - POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE

General Information about the OPEB Plan

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

Funding Policy – The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55, with at least 5 years of service with the District to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2021 approximately \$ 1,108,958 was paid on behalf of 67 retirees.

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

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	67
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>77</u>
Total	<u>144</u>

Total OPEB Liability

The District's total OPEB liability of \$ 44,613,277 was measured as of July 01, 2020, and was determined by an actuarial valuation as of July 01, 2019.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 01, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Salary Increases	3.0% Average, Including Inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	6.0% for 2021, Decreasing to a rate of 3.94% for 2090

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

Retirement participation rate assumed that 100% of eligible employees will elect to participate in the District's OPEB Plan and 80% of active member's spouses. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2014, and projected forward with scale MP-2019.

Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 34,367,349</u>
Changes for the Year	
Service Cost	1,258,590
Interest	1,228,742
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in assumptions or other inputs	8,796,652
Benefit Payments	<u>(1,038,056)</u>
Net Changes	<u>10,245,928</u>
Balance at June 30, 2020	<u><u>\$ 44,613,277</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% in 2020 to 2.21% in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower 1.21% or 1 percentage point higher 3.21% than the current discount rate:

	1% Decrease (1.21)%	Current Assumption (2.21%)	1% Increase (3.21)%
Total OPEB Liability	<u>\$ 53,599,788</u>	<u>\$ 44,613,277</u>	<u>\$ 37,567,233</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the 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:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>36,246,996</u>	\$ <u>44,613,277</u>	\$ <u>55,952,766</u>

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

The District recognized OPEB expense of \$ 1,016,256 as of June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference Between Experienced and Actual Experience	\$ -	\$ 1,623,555
Changes in Assumptions and Other Inputs	8,103,865	4,584,503
District's Contributions Subsequent to the Measurement Date	<u>1,091,897</u>	<u>-</u>
Total	<u>\$ 9,195,762</u>	<u>\$ 6,208,058</u>

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

Fiscal Year Ending June 30,	
2022	\$ (1,471,076)
2023	(1,471,072)
2024	1,161,607
2025	1,415,867
2026	1,388,743
Thereafter	<u>871,738</u>
	<u>\$ 1,895,807</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - RISK MANAGEMENT

General

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

Consortiums and Self-Insured Plans

The District participates in an employee health insurance plan (Plan) sponsored by the St. Lawrence-Lewis Counties BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include eighteen districts with the Lisbon Central School District bearing a 2.36% share of the Plan's assets and claims liabilities.

Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported.

Routine adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. During the year ended June 30, 2021, the Lisbon Central School District incurred premiums or expenditures totaling \$ 2,590,892.

A similar arrangement exists with the St. Lawrence-Lewis Counties BOCES for workers compensation. The District's share of the Plan's assets and claims liabilities, the District's premiums totaled \$ 23,571 for the year ended June 30, 2021.

The Plans issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - COMMITMENTS AND CONTINGENCIES

State and Federal Aid

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

Other Claims

The District is currently named as a defendant in a court action. Any possible liability, as advised by counsel, is too early in the process to properly estimate or form an opinion upon, and has not been included in the current financial statements.

NOTE 14 - DONOR-RESTRICTED ENDOWMENTS

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

Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure has not been tracked by the District.

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

NOTE 15 - PRIOR PERIOD ADJUSTMENT

The District adopted GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The District does not have any activity resulting in the need for fiduciary fund statements. Beginning assets, liabilities and fund/net position were adjusted as noted below for the following:

	<u>Fiduciary Activities</u> <u>(previously Private Purpose)</u>		<u>Miscellaneous</u> <u>Special Revenue</u>	
	<u>Assets</u>	<u>Net Position</u>	<u>Assets</u>	<u>Fund Balance</u>
Balance at June 30, 2020, as previously reported	\$ 51,229	\$ 51,229	\$ -	\$ -
Restatement	<u>(51,229)</u>	<u>(51,229)</u>	<u>51,229</u>	<u>51,229</u>
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,229</u>	<u>\$ 51,229</u>

LISBON CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - PRIOR PERIOD ADJUSTMENT (Continued)

	Fiduciary Activities (previously Agency)		Extraclassroom	
	Assets	Net Position	Assets	Fund Balance
Balance at June 30, 2020, as previously reported	\$ 69,478	\$ 69,478	\$ -	\$ -
Restatement	<u>(69,478)</u>	<u>(69,478)</u>	<u>69,478</u>	<u>69,478</u>
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,478</u>	<u>\$ 69,478</u>

	Governmental Activities		
	Assets	Liabilities	Fund Balance
Balance at June 30, 2020, as previously reported	\$ 6,374,275	\$ -	\$ 4,546,143
Restatement	<u>120,707</u>	<u>-</u>	<u>120,707</u>
Balance at July 1, 2020, as restated	<u>\$ 6,494,982</u>	<u>\$ -</u>	<u>\$ 4,666,850</u>

NOTE 16 - COVID-19

The United States continues to be in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-10). The impact of this situation on the District and its future results and financial position is not presently determinable.

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act). The CRRSA Act authorizes funding for a second Education Stabilization Fund to prepare for and respond to the coronavirus. The District is expected to receive and expend Elementary and Secondary School Emergency Relief (ESSER 2) funds as well as Governor's Emergency Education Relief (GEER 2) funds.

NOTE 17 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from July 1, 2021 through October 21, 2021, the date the financial statements were available to be issued.

On July 15, 2021, the District borrowed a Bond Anticipation Note of \$ 5,200,000 with an interest rate of 1.25% for major construction projects. Final maturity is on July 15, 2022.

The District purchased eight school buses on August 24, 2021. The borrowing of these funds is expected in late fall of 2021.

There were no other events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized in the accompanying financial statements.

LISBON 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, 2021**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real Property Taxes	\$ 3,726,897	\$ 3,726,897	\$ 3,102,434	\$ (624,463)
Other Tax Items	600	600	622,509	621,909
Charges for Services	180,000	180,000	181,790	1,790
Use of Money and Property	35,000	35,000	50,036	15,036
Sale of Property	-	-	40,025	40,025
Miscellaneous	75,000	75,000	370,595	295,595
Total Local Sources	<u>4,017,497</u>	<u>4,017,497</u>	<u>4,367,389</u>	<u>349,892</u>
State and Federal Sources				
State Sources	7,608,747	7,608,747	7,435,115	(173,632)
BOCES	975,000	975,000	967,547	(7,453)
Textbooks	33,000	33,000	31,863	(1,137)
Federal Sources	-	-	161,874	161,874
Total State and Federal Sources	<u>8,616,747</u>	<u>8,616,747</u>	<u>8,596,399</u>	<u>(20,348)</u>
Total Revenues	<u>12,634,244</u>	<u>12,634,244</u>	<u>12,963,788</u>	<u>329,544</u>
Other Financing Sources				
Proceeds from Bond Issuance	<u>500,000</u>	<u>500,000</u>	<u>475,000</u>	
Total Revenues and Other Financing Sources	<u>13,134,244</u>	<u>13,134,244</u>	<u>13,438,788</u>	
Appropriated Fund Balance				
Prior Year's Encumbrances	-	16,827		
Appropriated Reserves	<u>1,887,525</u>	<u>1,887,525</u>		
Total Appropriated Fund Balance	<u>1,887,525</u>	<u>1,904,352</u>		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	<u>\$ 15,021,769</u>	<u>\$ 15,038,596</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

LISBON 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, 2021 (Continued)**

	Adopted Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
EXPENDITURES					
General Support					
Board of Education	\$ 26,275	\$ 28,910	\$ 28,583	\$ -	\$ 327
Central Administration	152,540	146,540	143,412	2,584	544
Finance	191,458	233,542	227,756	-	5,786
Staff	37,500	56,000	44,704	-	11,296
Central Services	729,500	740,900	637,946	-	102,954
Special Items	472,752	472,752	468,796	-	3,956
Total General Support	1,610,025	1,678,644	1,551,197	2,584	124,863
Instruction					
Instruction, Administration, and Improvement	279,100	306,381	294,284	-	12,097
Teaching - Regular School	3,071,500	2,938,992	2,926,261	-	12,731
Program for Children with Disabilities	2,338,330	2,333,080	2,027,102	-	305,978
Occupational Education	643,000	643,250	635,994	-	7,256
Teaching - Special School	16,000	-	-	-	-
Instructional Media	287,935	333,870	290,525	-	43,345
Pupil Services	544,100	572,600	485,235	-	87,365
Total Instruction	7,179,965	7,128,173	6,659,401	-	468,772
Other Expenditures					
Pupil Transportation	1,803,050	1,803,050	1,468,145	-	334,905
Employee Benefits	3,674,210	3,674,210	3,547,522	-	126,688
Debt Service					
Principle	716,519	511,000	510,000	-	1,000
Interest	-	205,519	200,314	-	5,205
Total Other Expenditures	6,193,779	6,193,779	5,725,981	-	467,798
Total Expenditures	14,983,769	15,000,596	13,936,579	2,584	1,061,433
Other Uses					
Operating Transfers Out	38,000	38,000	19,255	-	18,745
Total Expenditures and Other Uses	\$ 15,021,769	\$ 15,038,596	13,955,834	\$ 2,584	\$ 1,080,178
Net Change in Fund Balances			(517,046)		
Fund Balance - Beginning			4,414,731		
Fund Balance - Ending			\$ 3,897,685		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

LISBON CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability				
Service Cost	\$ 1,258,590	\$ 977,702	\$ 1,109,741	\$ 1,831,526
Interest	1,228,742	1,277,441	1,199,465	1,455,541
Changes in benefit terms	-	(142,980)	-	(3,616,940)
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(212,172)	-	(4,425,303)
Changes of assumptions or other inputs	8,796,652	897,574	(1,580,615)	(11,370,791)
Benefit Payments	<u>(1,038,056)</u>	<u>(922,683)</u>	<u>(889,697)</u>	<u>(921,120)</u>
Net change in total OPEB liability	10,245,928	1,874,882	(161,106)	(17,047,087)
Total OPEB liability - Beginning	<u>34,367,349</u>	<u>32,492,467</u>	<u>32,653,573</u>	<u>49,700,660</u>
Total OPEB liability - Ending	<u>\$ 44,613,277</u>	<u>\$ 34,367,349</u>	<u>\$ 32,492,467</u>	<u>\$ 32,653,573</u>
 Covered payroll	 <u>\$ 4,355,629</u>	 <u>\$ 4,296,962</u>	 <u>\$ 4,242,703</u>	 <u>\$ 3,564,445</u>
Total OPEB liability as a percentage of covered payroll	1024%	800%	766%	916%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LISBON CENTRAL SCHOOL DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS -
NYSLRS PENSION PLANS
FOR THE YEAR ENDED JUNE 30, 2021**

Teachers' Retirement System (TRS)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 340,798	\$ 402,940	\$ 435,255	\$ 383,219	\$ 410,496	\$ 593,695	\$ 517,870
Contributions in relation to the contractually required contribution	<u>340,798</u>	<u>402,940</u>	<u>435,255</u>	<u>383,219</u>	<u>410,496</u>	<u>593,695</u>	<u>517,870</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,139,338	\$ 4,166,518	\$ 4,082,994	\$ 3,364,850	\$ 3,778,282	\$ 2,940,386	\$ 3,300,173
Contribution as a percentage of covered-employee payroll	8.23%	9.67%	10.66%	11.39%	10.86%	20.19%	15.69%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Employees' Retirement System (ERS)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 95,164	\$ 109,737	\$ 110,306	\$ 109,703	\$ 111,500	\$ 110,999	\$ 117,872
Contributions in relation to the contractually required contribution	<u>95,164</u>	<u>109,737</u>	<u>110,306</u>	<u>109,703</u>	<u>111,500</u>	<u>110,999</u>	<u>117,872</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 646,353	\$ 682,088	\$ 722,699	\$ 768,405	\$ 656,564	\$ 641,788	\$ 724,186
Contribution as a percentage of covered-employee payroll	14.72%	16.09%	15.26%	14.28%	16.98%	17.30%	16.28%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LISBON CENTRAL SCHOOL DISTRICT

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION (ASSET) LIABILITY - NYSLRS PENSION PLANS
FOR THE YEAR ENDED JUNE 30, 2021**

Teachers' Retirement System (TRS)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0226620%	0.0227310%	0.0222270%	0.0221030%	0.0189770%	0.0225460%	0.0203660%
District's proportionate share of the net pension liability (asset)	\$ 626,216	\$ (590,551)	\$ (401,921)	\$ (168,001)	\$ 23,251	\$ (2,341,826)	\$ (2,268,689)
District's covered-employee payroll	\$ 4,139,338	\$ 4,166,518	\$ 4,082,994	\$ 3,364,850	\$ 3,778,282	\$ 2,940,386	\$ 3,300,173
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.13%	(14.17%)	(9.84%)	(4.99%)	0.62%	(79.64%)	(68.74%)
Plan fiduciary net position as a percentage of the total pension liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	114.48%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Employees' Retirement System (ERS)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0023597%	0.0023222%	0.0022886%	0.0022829%	0.0024272%	0.0021071%	0.0021322%
District's proportionate share of the net pension liability (asset)	\$ 2,350	\$ 614,928	\$ 162,155	\$ 73,681	\$ 228,070	\$ 338,190	\$ 72,032
District's covered-employee payroll	\$ 646,353	\$ 682,088	\$ 722,699	\$ 768,405	\$ 656,564	\$ 641,788	\$ 724,186
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.36%	90.15%	22.44%	9.59%	34.74%	52.69%	9.95%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Paragraph on Supplementary Schedules in Auditor's Report.

LISBON CENTRAL SCHOOL DISTRICT

**COMBINING BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Miscellaneous Special Revenue	Extraclassroom Activities	Total Nonmajor Governmental Funds
ASSETS			
Restricted Cash	\$ 49,686	\$ 72,835	\$ 122,521
FUND BALANCE			
Total Restricted Fund Balance	\$ 49,686	\$ 72,835	\$ 122,521

LISBON CENTRAL SCHOOL DISTRICT

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Miscellaneous Special Revenue	Extraclassroom Activities	Total Nonmajor Governmental Funds
REVENUE			
Gifts and Contributions	\$ 7,016	\$ -	\$ 7,016
Miscellaneous Revenues	-	74,903	74,903
Interest and Dividends	36	-	36
Total Revenue	<u>7,052</u>	<u>74,903</u>	<u>81,955</u>
EXPENDITURES			
Scholarships and Awards	8,595	-	8,595
Other Expenditures - Extraclassroom	-	71,546	71,546
Total Expenditures	<u>8,595</u>	<u>71,546</u>	<u>80,141</u>
Change in Fund Balances	(1,543)	3,357	1,814
Fund Balance - Beginning of Year, as previously reported	-	-	-
Restatements (Note 15)	51,229	69,478	120,707
Fund Balance - Beginning of Year, as restated	<u>51,229</u>	<u>69,478</u>	<u>120,707</u>
Fund Balance - End of Year	<u>\$ 49,686</u>	<u>\$ 72,835</u>	<u>\$ 122,521</u>

See Paragraph on Supplementary Schedules in Auditor's Report.

LISBON CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET
TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted Budget	\$ 15,021,769
Add: Prior Year's Encumbrances	<u>16,827</u>

Original Budget	15,038,596
------------------------	------------

Add: Budget Revisions	<u>-</u>
-----------------------	----------

FINAL BUDGET	<u><u>\$ 15,038,596</u></u>
---------------------	-----------------------------

Section 1318 of Real Property Tax Law Limit Calculation

2021-2022 Voter Approved Expenditure Budget	<u><u>\$ 15,890,213</u></u>
---	-----------------------------

Maximum Allowed (4% of 2021-22 Budget)	<u><u>\$ 635,608</u></u>
---	--------------------------

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

Unrestricted Fund Balance	
Committed Fund Balance	\$ 2,584
Assigned Fund Balance	1,497,309
Unassigned Fund Balance	<u>435,931</u>
Total Unrestricted Fund Balance	<u><u>1,935,824</u></u>

Less

Appropriated Fund Balance	1,497,309
Encumbrances included in Committed and Assigned Fund Balances	<u>2,584</u>
Total Adjustments	<u><u>1,499,893</u></u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 435,931</u></u>
--	--------------------------

Actual Percentage	2.74%
-------------------	-------

LISBON CENTRAL SCHOOL DISTRICT

SCHEDULE OF CAPITAL PROJECTS FUND

PROJECT EXPENDITURES AND FINANCING RESOURCES

JUNE 30, 2021

Project Title	Original Budget	Revised Budget	Expenditures to Date			Unexpended Balance	Methods of Financing				Transfer to General Fund	Fund Balance June 30, 2021
			Prior Year's	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total		
Main Entrance 2020	<u>\$ 4,300,000</u>	<u>\$ 4,300,000</u>	<u>\$ -</u>	<u>\$ 255,013</u>	<u>\$ 255,013</u>	<u>\$ 4,044,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,013</u>	<u>\$ (255,013)</u>
Totals	<u>\$ 4,300,000</u>	<u>\$ 4,300,000</u>	<u>\$ -</u>	<u>\$ 255,013</u>	<u>\$ 255,013</u>	<u>\$ 4,044,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,013</u>	<u>\$ (255,013)</u>

LISBON CENTRAL SCHOOL DISTRICT
SCHEDULE OF INVESTMENT IN CAPITAL ASSETS,
NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets, Net	\$ 15,495,988
Deduct	
Short-Term Portion of Bonds Payable	625,000
Long-Term Portion of Bonds Payable	<u>4,715,000</u>
Total Deductions	<u>5,340,000</u>
 Investment in Capital Assets, Net of Related Debt	 <u><u>\$ 10,155,988</u></u>



Pinto·Mucenski·Hooper
Van House & Co.
Certified Public Accountants, P.C.

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

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

Board of Education
Lisbon Central School District
Lisbon, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lisbon Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Lisbon Central School District's basic financial statements, and have issued our report thereon dated October 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lisbon Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lisbon Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lisbon 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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

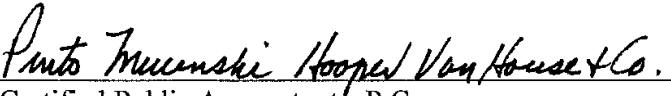
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lisbon Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Certified Public Accountants, P.C.

October 21, 2021



Pinto·Mucenski·Hooper
Van House & Co.
Certified Public Accountants, P.C.

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

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

Board of Education
Lisbon Central School District
Lisbon, New York

Report on Compliance for Each Major Federal Program

We have audited Lisbon Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lisbon Central School District's major federal programs for the year ended June 30, 2021. Lisbon Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Lisbon Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.


Report on Internal Control Over Compliance

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

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

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

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


Pinto Mucenski Hooper Van House & Co.
Certified Public Accountants, P.C.

October 21, 2021

LISBON CENTRAL SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed-Through NYS Education Department			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
Commodity Supplemental Food Program	10.555	N/A	\$ 16,363
Cash Assistance			
COVID-19 Summer Food Service Program for Children	10.559	N/A	<u>516,920</u>
Total Child Nutrition Cluster			<u>533,283</u>
<i>Total U.S. Department of Agriculture</i>			<u>533,283</u>
U.S. Department of Education			
Passed-Through NYS Education Department			
Special Education Cluster			
Special Education Grants to States, IDEA Section 611	84.027	0032210793	158,903
Special Education Preschool Grants, IDEA Section 619	84.173	0033210793	<u>3,249</u>
Total Special Education Cluster			<u>162,152</u>
Grants to Local Educational Agencies, Title I School Improvement	84.010	0021212620	143,587
Supporting Effective Instruction State Grants, Title IIA - Teacher & Principal	84.367	0147212620	18,259
Student Support and Academic Enrichment Program, Title IV SSAE Allocation	84.358	0204212620	1,500
Grants to Rural and Low Income Schools, Title V	84.358	0006212620	30,641
Elementary and Secondary School Emergency Relief Fund - CARES	84.425D	5895212620	23,459
Governor's Emergency Education Relief Fund - CARES	84.425C	5890212620	<u>138,415</u>
Total Passed-Through NYS Education Department			<u>518,013</u>
<i>Total, U.S. Department of Education</i>			<u>518,013</u>
Total Federal Awards Expended			<u>\$ 1,051,296</u>

LISBON CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2 - SUB-RECIPIENTS

No amounts were provided to sub-recipients.

NOTE 3 - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had food commodities totaling \$ 3,306 in inventory.

NOTE 4 - OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

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

LISBON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued - Unmodified
2. Internal control over financial reporting:
 - a. Significant deficiencies identified – No
 - b. Material weaknesses identified – No
3. Noncompliance material to the financial statements noted – No

Federal Awards:

4. Internal control over major federal programs:
 - a. Significant deficiencies identified – No
 - b. Material weaknesses identified – No
5. Type of auditor's report issued on compliance for the major federal award programs - Unmodified
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a) - No
7. Programs tested as major federal programs:

CFDA	Name of Program or Cluster
10.555	Child Nutrition Cluster
8. Dollar threshold used for distinguishing between Type A and B programs - \$ 750,000
9. Auditee qualified as a low-risk auditee - No

FINDINGS – FINANCIAL STATEMENT AUDIT

Significant Deficiencies:

None

Material Weaknesses:

None

**FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

LISBON CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no prior year audit findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

There were no prior year audit findings.