

**H**ARRISVILLE CENTRAL  
SCHOOL DISTRICT

---

*FINANCIAL STATEMENTS*  
June 30, 2022



# Table of Contents

---

## HARRISVILLE CENTRAL SCHOOL DISTRICT

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
AUDITED BASIC FINANCIAL STATEMENTS	20
STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	20
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES	21
BALANCE SHEET - GOVERNMENTAL FUNDS	22
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION	24
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	26
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES	28
STATEMENT OF FIDUCIARY NET POSITION	30
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	31
NOTES TO AUDITED BASIC FINANCIAL STATEMENTS	32
REQUIRED SUPPLEMENTARY INFORMATION	82
SCHEDULE OF CHANGES IN THE DISTRICT’S TOTAL OPEB LIABILITY AND RELATED RATIOS	82
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND	84
SCHEDULE OF DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN	86
SCHEDULE OF DISTRICT’S CONTRIBUTIONS – NYSLRS PENSION PLAN	87
SUPPLEMENTARY INFORMATION	88

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND _____	88
SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES _____	89
COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS _____	90
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS _____	91
NET INVESTMENT IN CAPITAL ASSETS _____	92
FEDERAL AWARD PROGRAM INFORMATION _____	93
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> _____	94
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE _____	96
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS _____	99
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS _____	101
SCHEDULE OF FINDINGS AND QUESTIONED COSTS _____	103
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS _____	106
EXTRA CLASSROOM ACTIVITY FUND _____	108
INDEPENDENT AUDITOR’S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS _____	109
EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS _____	111
EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT _____	112



**BOWERS & COMPANY  
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT**

---

**TO THE BOARD OF EDUCATION  
HARRISVILLE CENTRAL SCHOOL DISTRICT**

**Report on the Audit of the Financial Statements**

**Opinions**

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

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

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-19), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 83), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (page 84-85), Schedule of District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 86), and Schedule of District's Contributions – NYSLRS Pension Plan (page 87) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

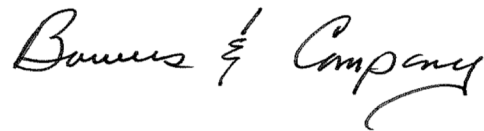
## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Harrisville Central School District's basic financial statements. The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 88-92) and Schedule of Expenditures of Federal Awards (pages 99-100), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 88-92), and the Schedule of Expenditures of Federal Awards (pages 99-100) 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 15, 2022, on our consideration of the Harrisville 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 Harrisville 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 Harrisville Central School District’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Banner & Company". The signature is written in dark ink and is positioned to the right of the main text block.

Watertown, New York  
October 15, 2022



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

**INTRODUCTION**

---

The following is a discussion and analysis of the Harrisville Central School District's (the District) financial performance for the fiscal year ended June 30, 2022. It is a summary of the District's financial activities based on currently known facts, decisions or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year.

The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's performance. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

**OVERVIEW OF FINANCIAL STATEMENTS**

---

The District's annual report consists of three parts: management's discussion & analysis, the basic financial statements, and required supplementary information.

**Management's Discussion and Analysis**

This section presents Management's Discussion and Analysis (MD&A). It precedes the financial statements, and its purpose is to put current financial performance in perspective relative to past performance and future expectations.

**Basic Financial Statements**

The basic financial statements include two kinds of statements that present different views of the District, district-wide and fund financial statements.

**Required Supplementary Information**

The basic financial statements and notes are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

**OVERVIEW OF FINANCIAL STATEMENTS - Continued**

Table A-1	Major Features of the District-Wide and Fund Financial Statement		
		Fund Financial Statements	
➔	District-Wide	Governmental Funds	Fiduciary Funds
<b>Scope</b>	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or an agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments or scholarships in a trust
<b>Required Financial Statements</b>	1. Statement of Net Position  2. Statement of Activities	3. Balance Sheet  4. Statement of Revenues, Expenditures, and Changes in Fund Balance	5. Statement of Fiduciary Net Position  6. Statement of Changes in Fiduciary Net Position
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of Asset / Liability Information</b>	All assets and liabilities, both financial and capital, short term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of Inflow / Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

**District-Wide Financial Statements**

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

## HARRISVILLE CENTRAL SCHOOL DISTRICT

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

#### OVERVIEW OF FINANCIAL STATEMENTS - Continued

---

The two district-wide statements report the District's net position and how they have changed. Net Position - the difference between the District's assets, deferred outflows, liabilities and deferred inflows - is one way to measure the District's financial health or position.

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

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

#### FUND FINANCIAL STATEMENTS

---

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

## HARRISVILLE CENTRAL SCHOOL DISTRICT

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

#### FUND FINANCIAL STATEMENTS - Continued

---

The District has two kinds of funds:

**Governmental Funds** - include most of the District's basic services. They generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending.

- 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.
- The governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- Because this information does not encompass the additional long-term focus of the district-wide statements, additional information detailed in Note 2 of the financial statements explains the relationship (or differences) between them.

**Fiduciary Funds** - the District is the trustee, or fiduciary, for assets that belong to others, such as the custodial fund.

- The fiduciary funds statements provide information about financial relationships in which the District acts trustee, or fiduciary, for assets that belong to others, such as property taxes collected on behalf of other governments.
- The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.
- The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

#### Change in Accounting Principle

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the statement establishes a single lease model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. See Note 16 for the financial statement impact of the implementation of the statement.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

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

---

**Condensed Statement of Net Position – Governmental Activities**

**Condensed Statement of Net Position  
Comparison 2021-2022 and 2020-2021**

	2022	2021 (Restated)	Percent Change
<b>Assets</b>			
Current and Other Assets	\$ 3,097,494	\$ 3,221,305	-3.8%
Capital Assets, Net	<u>17,471,515</u>	<u>17,739,621</u>	-1.5%
<b>Total Assets</b>	<u><u>\$ 23,706,172</u></u>	<u><u>\$ 20,960,926</u></u>	13.1%
<b>Deferred Outflows of Resources</b>			
Other Postemployment Benefits	\$ 9,516,198	\$ 10,216,309	-6.9%
Pensions	<u>2,295,803</u>	<u>2,397,540</u>	-4.2%
<b>Total Deferred Outflows of Resources</b>	<u><u>\$ 11,812,001</u></u>	<u><u>\$ 12,613,849</u></u>	-6.4%
<b>Liabilities</b>			
Current Liabilities	\$ 1,282,332	\$ 2,199,267	-41.7%
Long-Term Liabilities	<u>52,027,294</u>	<u>52,453,912</u>	-0.8%
<b>Total Liabilities</b>	<u><u>\$ 53,309,626</u></u>	<u><u>\$ 54,653,179</u></u>	-2.5%
<b>Deferred Inflows of Resources</b>			
Other Postemployment Benefits	\$ 6,110,876	\$ 5,414,049	12.9%
Pensions	<u>4,138,285</u>	<u>1,188,538</u>	248.2%
<b>Total Deferred Inflows of Resources</b>	<u><u>\$ 10,249,161</u></u>	<u><u>\$ 6,602,587</u></u>	55.2%
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 9,828,673	\$ 9,681,389	1.5%
Restricted	1,584,112	1,815,453	-12.7%
Unrestricted	<u>(39,453,399)</u>	<u>(39,177,833)</u>	-0.7%
<b>Total Net Position</b>	<u><u>\$(28,040,614)</u></u>	<u><u>\$(27,680,991)</u></u>	-1.3%

Total District net position deficit increased 1.3% in 2021-2022, or \$359,623 from the prior year restated balance. Long-term liabilities decreased 0.8% or \$426,618 since fiscal year ending 2021 due mainly to the changes in long-term liabilities for GASB 68 Pensions and GASB 75 OPEB. Other changes included capital assets decrease 1.5%, or \$268,106 and restricted net position decreases 12.9% or \$233,292, since fiscal year ending 2021.

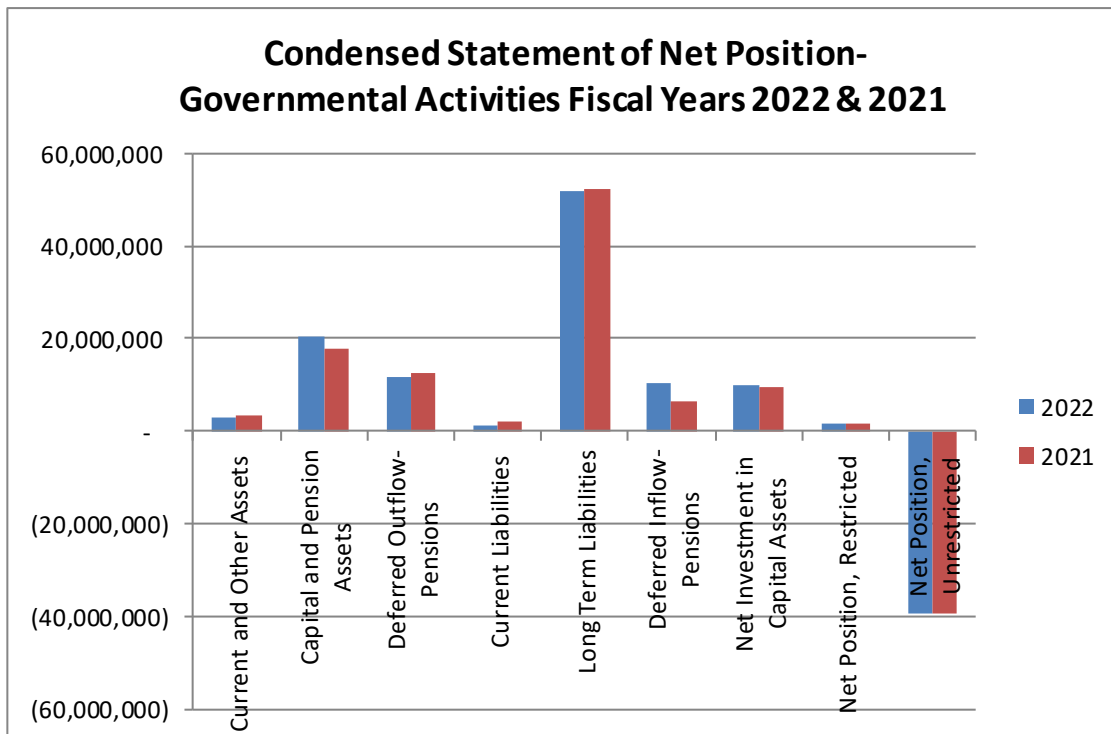
HARRISVILLE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$28,042,565 at the close of the most recent fiscal year. This represents a \$361,574 deficit increase in the statement of net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2022, the OPEB liability was \$44,555,044. See Note 12 for additional OPEB information.



---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A  
WHOLE - Continued**

---

**Changes in Net Position from Operating Results – District Wide**

**Condensed Statement of Activities and Changes in Net Position  
Comparison 2021 - 2022**

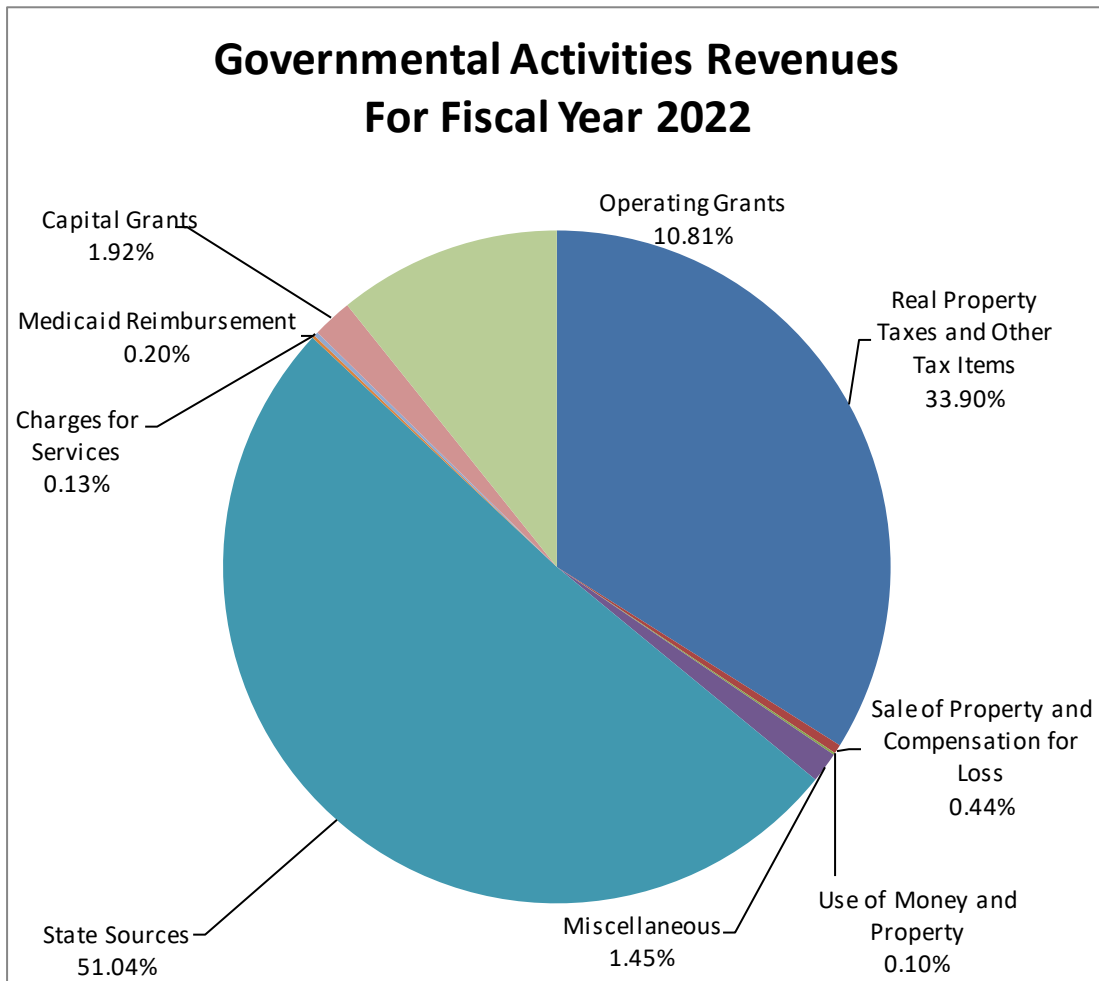
	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021*</b>	<b>Percent Change</b>
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 15,696	\$ 12,680	23.8%
Operating Grants	1,286,424	491,461	161.8%
Capital Grants	229,030	-	100.0%
General Revenues			
Real Property Taxes and Other Tax Items	4,033,991	4,019,188	0.4%
State Aid	6,074,600	5,867,931	3.5%
Federal Aid	24,019	241,259	-90.0%
Use of Money and Property	11,963	11,681	2.4%
Sale of Property and Compensation for Loss	5,824	3,245	79.5%
Gain on Disposal of Property	46,002	-	100.0%
Miscellaneous	173,849	167,925	3.5%
<b>Total Revenues</b>	<u>11,901,398</u>	<u>10,815,370</u>	<u>10.0%</u>
<b>Expenses</b>			
General Support	2,252,181	2,207,712	2.0%
Instruction	8,329,440	8,532,627	-2.4%
Transportation	1,130,597	979,424	15.4%
Debt Service	235,974	265,253	-11.0%
School Food Service Program	312,829	254,156	23.1%
<b>Total Expenses</b>	<u>12,261,021</u>	<u>12,239,172</u>	<u>0.2%</u>
<b>Change in Net Position</b>	<u>\$ (359,623)</u>	<u>\$ (1,423,802)</u>	<u>74.7%</u>

\*2020-21 Statement of Activities information has not been restated as the required information for GASB 87 is only available for fiscal year ending June 30, 2022 and forward.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued



The District's total revenues were \$11,901,398. A majority of the revenue comes from state aid for general programs of 51.05%, or \$6,074,600. Property taxes, including STAR and interest and penalties, accounted for another 33.90%, or \$4,033,991 of total revenues.



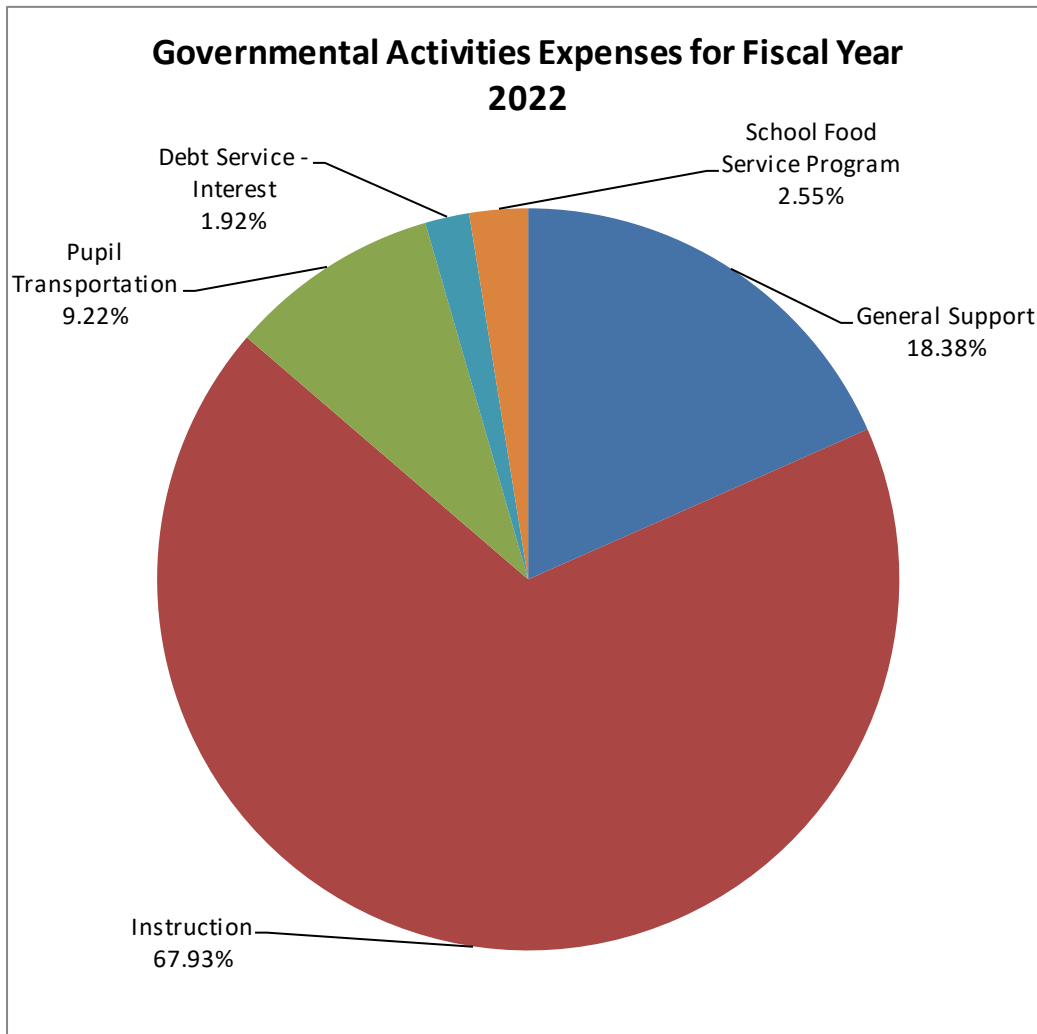
**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued**

The total cost of all programs and services was \$12,261,021. \$8,329,440, or 67.93%, of the District's expenses are predominately related to instruction.

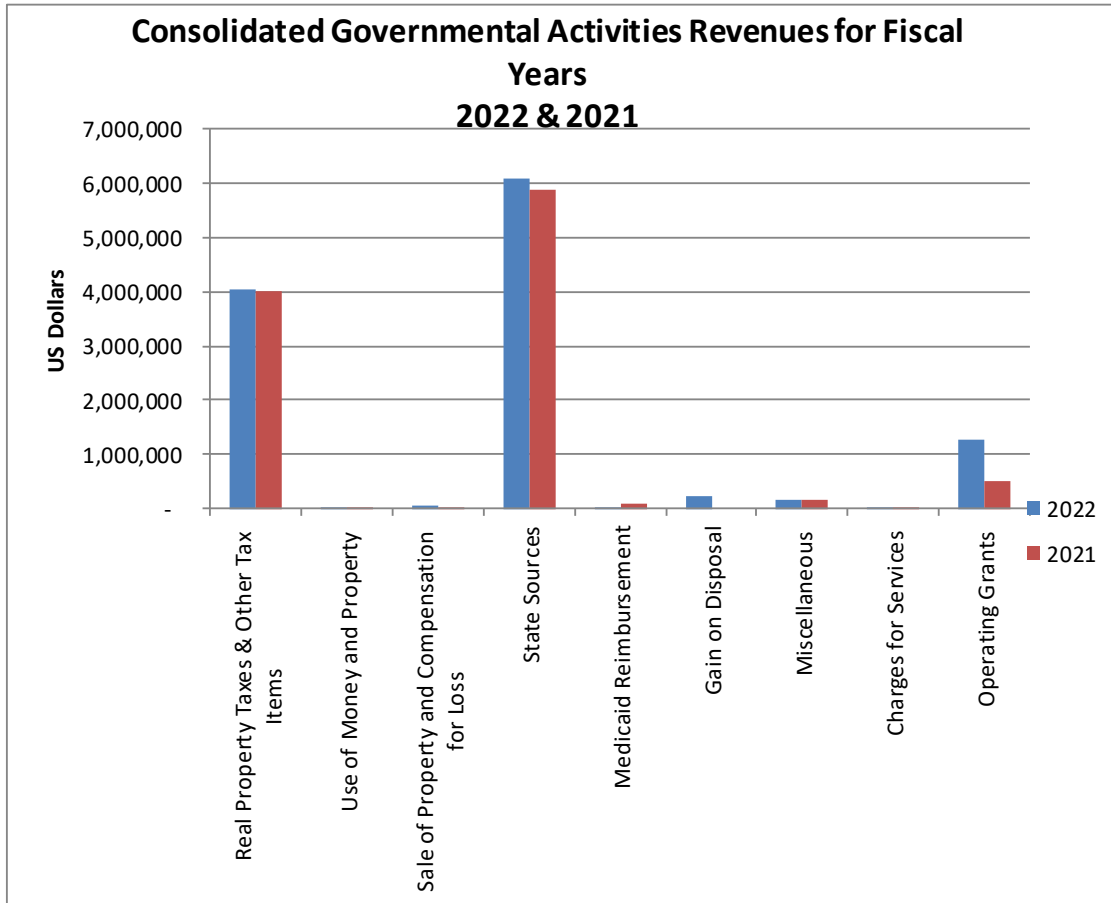


HARRISVILLE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued



---

## HARRISVILLE CENTRAL SCHOOL DISTRICT

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued

---

Following is a discussion of significant percentage changes in revenues and expenditures for the 2021-2022 fiscal year.

#### **Revenues:**

- Capital Grants- This revenue category accounted for a 100% increase in 2021-2022 aid and reimbursements. The District has completed \$229,030 of Smart School Bond Act projects in the current year.
- State Aid - This revenue category accounted for a 3.5% increase in 2021-2022 compared to the prior year.
- Operating Grants- This revenue category accounted for a 161.8% increase in 2021-2022 aid and reimbursements. The District received over \$600,000 in aid through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan (ARP) during the current fiscal year.

#### **Expenses:**

- General Support - This category increased 2.0%. General support expenditures are totaled from the general fund, special aid fund, as well as the school food service fund.
- Instruction - Instructional expenditures decreased 2.4% in 2021-2022 compared to the prior year.
- Debt Service – Debt service expenditures decreased 11% from the prior year, due to the payment amortization schedule on the long-term bond outstanding.

The total change in expenditures from 2020-2021 to 2021-2022 amounted to an increase of 0.2%, causing an overall decrease in net position of \$361,574.

---

## HARRISVILLE CENTRAL SCHOOL DISTRICT

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

#### ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,590,431 as compared to last year's ending fund balance of \$1,049,376. The combined fund balance increased \$541,055. The fund balance in the General Fund decreased \$365,156 or 16.4%. The budgeted appropriated fund balance increased from \$477,364 for 2021-2022 to \$497,364 for 2022-2023.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report. Following is a discussion comparing Revenue and Expenditure final budget variances with budgetary actual.

##### Revenues:

- Overall Revenues - The District received \$610,655 less in revenue and other financing sources compared to the final budget. The District budgeted \$11,167,370, however, received \$10,556,715.

##### Expenditures:

- General Support - The actual general support expenditures and encumbrances for 2021-2022 were \$1,542,305 and \$30,541, respectively. The final budgeted expenditures for general support totaled \$1,768,668. This is a 11.07%, or \$195,822 variance between budgeted and actual general support expenditures, including encumbrances.
- Instruction - The actual instructional expenditures and encumbrances for 2021-2022 were \$4,465,768 and \$12,589, respectively. This was a \$244,503, or 5.18%, variance from the final budgeted figure of \$4,722,860. Special Education instruction and program expenses have the potential to fluctuate significantly from year to year owing to new and current students being classified for these services.
- Pupil Transportation - The actual pupil transportation expenditures and encumbrances for 2021-2022 totaled \$621,892 and \$76,055, respectively. This was a \$68,564, or a 8.94%, variance from final budgeted expenditures of \$766,511, including encumbrances.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

**GENERAL FUND BUDGETARY HIGHLIGHTS - Continued**

---

**Fund Balance**

The general fund, fund balance at June 30, 2021 totaled \$2,224,929. At June 30, 2022, the ending fund balance equaled \$1,859,773. Fund balance includes reserves of \$1,153,516 and assigned fund balance of \$616,549.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

---

**Capital Assets**

<b>Category</b>	<b>2022</b>	<b>2021 (As Restated)</b>	<b>Percent Change</b>
Land	\$ 25,165	\$ 25,165	0.0%
Construction in Progress	229,207	1,119,225	-79.5%
Buildings and Site Improvements (Net of Depreciation)	16,548,857	16,044,253	3.1%
Vehicles (Net of Depreciation)	222,774	154,766	43.9%
Furniture and Equipment (Net of Depreciation)	442,006	391,023	13.0%
Intangible Lease Asset- Equipment (Net of Amortization)	3,506	5,189	-32.4%
<b>Total</b>	<u>\$ 17,471,515</u>	<u>\$ 17,739,621</u>	

The above statement of capital assets includes current year's depreciation and amortization of \$717,118. At June 30, 2022, the District had invested \$17,471,515 in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, vehicles and intangible lease equipment assets. More detailed information about the District's capital assets is presented in the notes to the financial statements.

**Long-Term Debt**

<b>Category</b>	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>	<b>Percent Change</b>
General Obligation Bonds (Net of Unamortized Premium)	\$ 7,217,378	\$ 6,694,000	7.8%
Postemployment Benefits	44,555,044	44,989,572	-1.0%
Net Pension Liability	-	500,652	-100.0%
Compensated Absences	254,872	269,688	-5.5%
<b>Total</b>	<u>\$ 52,027,294</u>	<u>\$ 52,453,912</u>	-0.8%

---

## HARRISVILLE CENTRAL SCHOOL DISTRICT

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

#### CAPITAL ASSET AND DEBT ADMINISTRATION - Continued

---

##### Long-Term Debt - Continued

At year end, the District had \$52,027,294 in long-term debt, consisting of general obligation bonds, compensated absences, and postemployment benefits, as shown. Long-term debt highlights include:

- Debt Service: The District paid \$480,000 in bond principal.
- Serial Bond: The District obtained new bonding in the amount of \$970,000 on June 15, 2022 with an interest rate of 5% and a premium of \$86,378 to obtain permanent financing for the 2019 Campus-Wide Capital Project upon its completion.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

---

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

- Current 2022-2023 enrollment figures of 333 indicate a sizable decrease over prior school year figures. The current 2022-2023 fiscal year is the first school year in a decade where the senior graduating class is smaller than the current UPK class. However, it is also probable to see declining enrollment over the next five years.
- The District is continuing their UPK program holding 2 half-day sessions during the 2022-2023 fiscal year. The grant in aid is covering the majority of the costs. The program is currently serving 17 children

## HARRISVILLE CENTRAL SCHOOL DISTRICT

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued

---

- ❑ The contracts for the Harrisville Teacher's Association (HTA) expired on June 30, 2022, but another agreement was reached in October until June 30, 2025. The Harrisville Service Association (HSA) is in an agreement until June 30, 2024.
- ❑ As of June 30, 2022, the District had expended \$228,116 of the \$388,954 in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), \$281,830 of the \$874,167 in the American Rescue Plan (ARP), and \$90,320 of the \$700,000 in ARP State Reserves. All of the CRRSA funds are expected to be spent by the end of the 2022-2023 fiscal year. The ARP State Reserves and ARP funds will be allocated for at the end of the 2023-2024 fiscal year.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

---

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact: Business Office, Harrisville Central School, Pirate Lane, Harrisville, NY 13648.

## HARRISVILLE CENTRAL SCHOOL DISTRICT

### AUDITED BASIC FINANCIAL STATEMENTS

## STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES

June 30, 2022

<b>ASSETS</b>		
Cash and Cash Equivalents		
Unrestricted	\$	359,340
Restricted		805,977
Receivables		
State and Federal Aid		1,579,382
Due From Other Governments		328,410
Other		6,053
Inventories		12,624
Prepaid Expenses		5,708
Capital Assets, Net		17,471,515
Net Pension Asset - Proportionate Share		3,137,163
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>23,706,172</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	\$	2,295,803
Other Postemployment Benefits		9,516,198
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$</b>	<b>11,812,001</b>
<b>LIABILITIES</b>		
Payables		
Accounts Payable	\$	60,521
Accrued Liabilities		77,579
Due to Other Governments		939
Accrued Interest Payable		19,943
Due to Teachers' Retirement System		352,669
Due to Employees' Retirement System		36,673
Unearned Credits		
Unearned Revenues		49,808
Notes Payable		
Bond Anticipation Notes		684,200
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		588,759
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premium		6,628,619
Compensated Absences Payable		254,872
Other Postemployment Benefits Payable		44,555,044
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>53,309,626</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	\$	4,138,285
Other Postemployment Benefits		6,110,876
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$</b>	<b>10,249,161</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$	9,828,673
Restricted		1,584,112
Unrestricted (Deficit)		(39,453,399)
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>(28,040,614)</b>

See notes to audited basic financial statements.



**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES**

Year Ended June 30, 2022

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants	Capital Grants	Revenue and Changes in Net Position
<b>FUNCTIONS/PROGRAMS</b>					
General Support	\$ 2,252,181	\$ -	\$ -	\$ 229,030	\$ (2,023,151)
Instruction	8,329,440	2,113	1,032,976	-	(7,294,351)
Pupil Transportation	1,130,597	-	-	-	(1,130,597)
Debt Service - Interest	235,974	-	-	-	(235,974)
School Food Service Program	312,829	13,583	253,448	-	(45,798)
Total Functions and Programs	\$ 12,261,021	\$ 15,696	\$ 1,286,424	\$ 229,030	(10,729,871)
<b>GENERAL REVENUES</b>					
Real Property Taxes					3,663,901
Other Tax Items					370,090
Use of Money and Property					11,963
Sale of Property and Compensation for Loss					5,824
Gain on Disposal					46,002
State Sources					6,074,600
Medicaid Reimbursement					24,019
Miscellaneous					173,849
Total General Revenues					10,370,248
Change in Net Position					(359,623)
Net Position - Beginning of Year, as Restated					(27,680,991)
Net Position - End of Year					\$ (28,040,614)

See notes to audited basic financial statements.

---

---

**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2022

	<u>General Fund</u>	<u>Special Aid Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents		
Unrestricted	\$ 327,926	\$ 17,600
Restricted	709,789	-
Receivables		
Due From Other Funds	975,706	-
State and Federal Aid	494,127	761,391
Due From Other Governments	328,410	-
Other	5,478	-
Inventories	-	-
Prepaid Expenditures	5,708	-
<b>TOTAL ASSETS</b>	<u><u>\$ 2,847,144</u></u>	<u><u>\$ 778,991</u></u>
<b>LIABILITIES</b>		
Payables		
Accounts Payable	\$ 54,347	\$ 6,174
Accrued Liabilities	74,256	845
Due to Other Funds	469,426	778,596
Due to Other Governments	-	-
Due to Teachers' Retirement System	352,669	-
Due to Employees' Retirement System	36,673	-
Unearned Credits		
Unearned Revenues	-	49,808
Notes Payable		
Bond Anticipation	-	-
Total Liabilities	<u>987,371</u>	<u>835,423</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred State Aid	-	15,644
Total Deferred Inflow of Resources	<u>-</u>	<u>15,644</u>
<b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	5,708	-
Restricted	1,153,516	-
Assigned	616,549	-
Unassigned (Deficit)	84,000	(72,076)
Total Fund Balances (Deficits)	<u>1,859,773</u>	<u>(72,076)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u><u>\$ 2,847,144</u></u>	<u><u>\$ 778,991</u></u>

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

<b>Capital Project Fund 2019 Campus-Wide</b>	<b>Capital Projects Fund Buses</b>	<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 13,814	\$ 359,340
-	9,786	86,402	805,977
-	249,996	450,081	1,675,783
-	-	323,864	1,579,382
-	-	-	328,410
-	575	-	6,053
-	-	12,624	12,624
-	-	-	5,708
<u>\$ -</u>	<u>\$ 260,357</u>	<u>\$ 886,785</u>	<u>\$ 4,773,277</u>
\$ -	\$ -	\$ -	\$ 60,521
-	-	2,478	77,579
-	1,621	426,140	1,675,783
-	-	939	939
-	-	-	352,669
-	-	-	36,673
-	-	-	49,808
-	684,200	-	684,200
-	685,821	429,557	2,938,172
-	-	229,030	244,674
-	-	229,030	244,674
-	-	-	5,708
-	-	430,596	1,584,112
-	-	99,824	716,373
-	(425,464)	(302,222)	(715,762)
-	(425,464)	228,198	1,590,431
<u>\$ -</u>	<u>\$ 260,357</u>	<u>\$ 886,785</u>	<u>\$ 4,773,277</u>

See notes to audited basic financial statements.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION**

June 30, 2022

**Total Fund Balance - Governmental Funds** \$ 1,590,431

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

Proportionate share of long-term liabilities associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.

Net Pension Asset - Proportionate Share - TRS	\$ 2,879,285	
Net Pension Asset - Proportionate Share - ERS	<u>257,878</u>	3,137,163

Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Other Postemployment Benefits	\$ 6,110,876	
Pensions	<u>4,138,285</u>	(10,249,161)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Other Postemployment Benefits	\$ 9,516,198	
Pensions	<u>2,295,803</u>	11,812,001

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

The Cost of Capital Assets is	\$ 28,289,163	
Accumulated Depreciation and Amortization is	<u>(10,817,648)</u>	17,471,515

Governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report revenues when earned. Long term revenue difference related to Special Aid Funding is reported as revenue in the Statement of Activities and Deferred Inflow in the government funds, and therefore not reported as revenue in the governmental fund.

244,674

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION-CONTINUED**

June 30, 2022

Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities, at year end, consist of:

Bonds Payable	\$ 6,495,000	
Premium on Bond Payable	722,378	
Accrued Interest Payable	19,943	
Compensated Absences Payable	254,872	
Other Postemployment Benefits Payable	44,555,044	<u>(52,047,237)</u>
<b>Total Net Position - Governmental Activities</b>		<u><u>\$ (28,040,614)</u></u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Aid Fund</u>
<b>REVENUES</b>		
Real Property Taxes	\$ 3,663,901	\$ -
Other Tax Items	370,090	-
Charges for Services	2,113	-
Use of Money and Property	5,668	-
Sale of Property and Compensation for Loss	5,824	-
State Sources	6,074,600	97,034
Medicaid Reimbursement	24,019	-
Federal Sources	51,968	883,974
Surplus Food	-	-
Sales - School Food Service	-	-
Miscellaneous	102,110	-
Total Revenues	<u>10,300,293</u>	<u>981,008</u>
<b>EXPENDITURES</b>		
General Support	1,542,305	-
Instruction	4,465,768	853,790
Pupil Transportation	621,892	4,873
Employee Benefits	2,978,940	131,876
Debt Service		
Principal	705,000	-
Interest	312,013	-
Cost of Sales - School Food Service	-	-
Other Expenditures	-	-
Capital Outlay	-	-
Total Expenditures	<u>10,625,918</u>	<u>990,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(325,625)</u>	<u>(9,531)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>		
Premium on Debt Issuance	-	-
Bond Issuance Cost	-	-
BAN Redeemed From Appropriations	-	-
Proceeds From Debt	-	-
Operating Transfers In	256,422	9,531
Operating Transfers (Out)	(295,953)	-
Total Other Financing Sources and (Uses)	<u>(39,531)</u>	<u>9,531</u>
Net Change in Fund Balances	(365,156)	-
Fund Balances (Deficit) - Beginning of Year	2,224,929	(72,076)
Fund Balances (Deficit) - End of Year	<u>\$ 1,859,773</u>	<u>\$ (72,076)</u>

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

<b>Capital Project Fund 2019 Campus-Wide</b>	<b>Capital Projects Fund Buses</b>	<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 3,663,901
-	-	-	370,090
-	-	-	2,113
-	-	594	6,262
-	-	-	5,824
-	-	4,475	6,176,109
-	-	-	24,019
-	-	228,560	1,164,502
-	-	20,413	20,413
-	-	13,583	13,583
-	-	71,739	173,849
<u>-</u>	<u>-</u>	<u>339,364</u>	<u>11,620,665</u>
-	-	134,177	1,676,482
-	-	-	5,319,558
-	-	-	626,765
-	-	67,295	3,178,111
-	-	-	705,000
-	-	-	312,013
-	-	111,357	111,357
-	-	67,960	67,960
<u>60,515</u>	<u>196,995</u>	<u>35,555</u>	<u>293,065</u>
<u>60,515</u>	<u>196,995</u>	<u>416,344</u>	<u>12,290,311</u>
<u>(60,515)</u>	<u>(196,995)</u>	<u>(76,980)</u>	<u>(669,646)</u>
-	-	92,079	92,079
-	-	(76,378)	(76,378)
20,000	205,000	-	225,000
970,000	-	-	970,000
10,000	-	300,333	576,286
(13,911)	-	(266,422)	(576,286)
<u>986,089</u>	<u>205,000</u>	<u>49,612</u>	<u>1,210,701</u>
925,574	8,005	(27,368)	541,055
<u>(925,574)</u>	<u>(433,469)</u>	<u>255,566</u>	<u>1,049,376</u>
<u>\$ -</u>	<u>\$ (425,464)</u>	<u>\$ 228,198</u>	<u>\$ 1,590,431</u>

See notes to audited basic financial statements.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2022

**Net Change in Fund Balances - Total Governmental Funds** \$ 541,055

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

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

Capital Outlays	\$ 449,012	
Depreciation and Amortization Expense	<u>(717,118)</u>	(268,106)

Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period for bonds and lease liabilities. 480,000

Proceeds of long-term debt, including premiums on issuance, are recorded as an other financing source for governmental funds but are not recorded in the Statement of Activities. This is the amount of proceeds and premiums from long-term debt received in the current year. (1,056,378)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is increased by the change in accrued interest on bonds and decreased by the amortization of bond premiums. 76,039

In the Statement of Activities, certain operating expenses-compensated absences (vacations and certain sick pay) and special termination benefits (early retirement)-are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 14,816



**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES  
- CONTINUED**

Year Ended June 30, 2022

Governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report revenues when earned. Long term revenue difference related to Special Aid Funding is reported as revenue in the Statement of Activities and Deferred Inflow in the government funds, and therefore not reported as revenue in the governmental fund. 229,030

On the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits. (962,410)

Increases (decreases) in proportionate share of net pension asset (liability) and related deferred inflows and outflows 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.

Teachers' Retirement System	\$ 476,861	
Employees' Retirement System	109,470	586,331
<b>Change in Net Position of Governmental Activities</b>		<b>\$ (359,623)</b>

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**STATEMENT OF FIDUCIARY NET POSITION**

June 30, 2022

	<u><b>Custodial</b></u>
<b>ASSETS</b>	
Cash and Cash Equivalents	
Restricted	\$ -
Total Assets	\$ -
<b>LIABILITIES</b>	
Other Liabilities	\$ -
Total Liabilities	-
<b>NET POSITION</b>	
Restricted	\$ -

---

See notes to audited basic financial statements.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Year Ended June 30, 2022

	<u>Custodial</u>
<b>ADDITIONS</b>	
Taxes Collected for Other Governments (Library Levy)	\$ 60,000
Total Additions	60,000
<b>DEDUCTIONS</b>	
Payment of Tax to Other Governments (Library Levy)	60,000
Total Deductions	60,000
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

---

See notes to audited basic financial statements.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

---

The financial statements of Harrisville 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 used by the District are described below:

**Reporting Entity**

The 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 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.

Extra Classroom Activity Funds

The Extra Classroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extra Classroom Activity Funds can be found at the District's business office. Due to administrative involvement, the District accounts for assets in a special revenue fund.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Joint Venture**

The District is one of 18 component school districts in the St. Lawrence-Lewis Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs 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 \$1,841,624 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$829,353. This represents state aid distributions of \$738,717 and 2021 fund balance returned to schools of \$90,636.

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Basis of Presentation**

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

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

Fund Statements

The fund statements provide information about the District's funds, including each type of 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. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

---

**Basis of Presentation - Continued**

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, extra classroom activity funds which the District has administrative involvement 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.

Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for specific educational programs.

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Extra Classroom Activity Funds: Used to account for funds of the students of the District which are restricted as to use by the various student organizations where the District has administrative involvement over the funds.

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

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 nonmajor 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 nonmajor are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulations 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 fiduciary funds:

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Basis of Presentation - Continued**

The District uses one class of fiduciary funds:

Custodial Funds: These funds are limited to assets that are being held for individuals, private organizations, or other governments that are not held in a trust. Assets are held by the District as agent for property taxes collected on behalf of other governments.

**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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collectible within 60 days 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, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.



**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 9, 2021. Taxes are collected during the period September 1, 2021 to October 31, 2021.

Uncollected real property taxes are subsequently enforced by the Counties of Lewis and St. Lawrence, in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

**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.

**Interfund Transactions**

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

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

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

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

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

**Cash and Cash Equivalents**

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.

**Receivables**

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

**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, which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Inventories and Prepaid Items - Continued**

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

**Other Assets**

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.

**Capital Assets and Intangible Lease Assets**

Capital assets are reported at actual cost for acquisitions or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
Site Improvements	\$ 5,000	SL	5-20 Years
Buildings	5,000	SL	20-50 Years
Furniture and Equipment	5,000	SL	5-8 Years
Vehicles	5,000	SL	5-10 Years

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of \$5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the lease term (3-5 years) consistent with the decrease in the related lease liability or using the straight-line method if there is no corresponding lease liability.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Capital Assets and Intangible Lease Assets - Continued**

The District does not possess any infrastructure.

**Deferred Outflows and Inflows of Resources**

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

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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability (TRS and ERS system) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes in the actual and expected experience and the changes of assumptions or other inputs. The third item arises only under the modified accrual basis of accounting and is reported as deferred state grants. This represents a deferred inflow only on the Balance Sheet in the governmental funds and revenues on the District-wide Statement of Activities.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Unearned Revenue**

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenues 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 revenues is removed and revenue is recognized.

**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 a payment based on unused accumulated sick leave.

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

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

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

**Other Benefits**

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Other Benefits - Continued**

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

**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. State law requires that BANs issued for capital purposes are 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.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Accrued Liabilities and Long-Term Obligations**

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

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

**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 and amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement 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 prepaid expenditures in the General Fund of \$5,708. The nonspendable portion in the School Food Service Fund is limited by available fund balances.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

---

**Equity Classifications - Continued**

**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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

**Repairs**

According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

**Retirement Contributions**

According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees Retirement System. This reserve is established by Board resolution and is funded by budgetary 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.

**Unemployment Insurance**

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



**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Equity Classifications - Continued**

**Employee Benefit Accrued Liability**

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

**Debt Service**

According to General Municipal Law §6-1, the 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 sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

**Workers' Compensation**

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

**Scholarships and Awards Fund**

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. This reserve is accounted for in the Scholarships and Awards Fund.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Equity Classifications - Continued**

**Extra Classroom Activity Funds**

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. This reserve is accounted for in the Extra Classroom Activity Funds.

Restricted fund balance includes the following at June 30, 2022:

General Fund	
Employee Benefit Accrued Liability	\$ 240,174
Repairs	37,800
Retirement Contributions	536,832
Unemployment Insurance	144,359
Workers Compensation	194,351
Extra Classroom Fund	31,616
Scholarships and Awards	9,491
Debt Service Fund	<u>389,489</u>
Total Restricted Funds	<u>\$ 1,584,112</u>

**Committed** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2022.

**Assigned** - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Equity Classifications - Continued**

**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.

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. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Order of Use of Fund Balance

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as assigned 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.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**New Accounting Standards**

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

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.

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 (paragraphs 11b, 13 and 14)*, effective for the year ending June 30, 2022.

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.

**Future Changes in Accounting Standards**

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

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. 98, *The Annual Comprehensive Financial Report*, effective for the year ended June 30, 2023.

GASB has issued Statement No. 99, *Omnibus 2022*, effective for the year ended June 30, 2023.

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Future Changes in Accounting Standards – Continued**

The District has GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025.

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 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.

**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 postemployment benefits payable.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

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

---

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

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

1. 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.

2. Capital Related Differences:

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

3. Long-Term Debt Transaction Differences:

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

4. Pension Differences:

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

5. OPEB Differences:

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES**

---

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the statement establishes a single lease model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. See Note 16 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 fund 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.

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 amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project fund 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.

Special revenue funds have not been included in the comparison because they do not have a legally authorized (appropriated) budget.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 4 - STEWARDSHIP, COMPLIANCE AND  
ACCOUNTABILITY - Continued**

---

**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.

**Other**

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming year. Actions the District plans to pursue to address this issue include the establishment of appropriate reserves and to continue to appropriate fund balance to provide relief to District taxpayers.

The Capital Project Fund-Buses had a deficit fund balance of \$425,464. This will be funded with the renewal of the bus BAN. The Capital Project Fund-Smart Schools had a deficit fund balance of \$229,030. This will be funded with future proceeds from state aid.

The Special Aid fund has a deficit fund balance of \$72,076 at June 30, 2022. This will be funded with transfers from the General Fund and with State grants received in future years.

The School Food Service fund has a deficit fund balance of \$73,192 at June 30, 2022. This will be funded with transfers from the General Fund in future years.



**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

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

---

**Cash**

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

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

Uncollateralized	<u><u>\$ -</u></u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u><u>\$ 1,319,074</u></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 \$709,789 restricted for various fund balance reserves in the General Fund, \$39,515 within the Debt Service Fund, \$9,786 in various Capital Projects Funds, \$31,521 restricted for extra classroom in the Extra Classroom Activity Funds, and \$15,366 restricted for scholarships and awards in the Scholarships and Awards Fund within the governmental funds.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2022 all deposits were fully insured and collateralized by the District's agent.

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.

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

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

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

---

**Investment Pool - NYCLASS**

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §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 amounts held represent the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from the New York State collateral requirements. At June 30, 2022, the District held \$2,220,339 in the investment pool. Additional information concerning the cooperative is presented in the annual report of NYCLASS.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 6 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS**

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements / Reclassifications</b>	<b>Ending Balance</b>
Capital Assets That Are Not Depreciated:				
Land	\$ 25,165	\$ -	\$ -	\$ 25,165
Construction in Progress	1,119,225	96,073	(986,091)	229,207
Total Nondepreciable Assets	<u>1,144,390</u>	<u>96,073</u>	<u>(986,091)</u>	<u>254,372</u>
Other Capital Assets:				
Site Improvements	540,311	-	-	540,311
Buildings	23,706,980	-	986,091	24,693,071
Furniture and Equipment	1,584,735	109,945	-	1,694,680
Vehicles	1,080,139	242,994	(221,593)	1,101,540
Intangible Lease Assets-Equipment, As Restated	5,189	-	-	5,189
Total Other Capital Assets	<u>26,917,354</u>	<u>352,939</u>	<u>764,498</u>	<u>28,034,791</u>
Less Accumulated Depreciation:				
Site Improvements	336,735	17,424	-	354,159
Buildings	7,866,303	464,063	-	8,330,366
Furniture and Equipment	1,429,969	41,937	-	1,471,906
Vehicles	689,116	192,011	(221,593)	659,534
Less Accumulated Amortization:				
Intangible Lease Assets-Equipment	-	1,683	-	1,683
Total Accumulated Depreciation and Amortization	<u>10,322,123</u>	<u>717,118</u>	<u>(221,593)</u>	<u>10,817,648</u>
Total Other Capital Assets, Net	<u>16,595,231</u>	<u>(364,179)</u>	<u>986,091</u>	<u>17,217,143</u>
Total Capital Assets, Net	<u>\$ 17,739,621</u>	<u>\$ (268,106)</u>	<u>\$ -</u>	<u>\$ 17,471,515</u>

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

General Support	\$ 109,275
Instruction	415,832
Pupil Transportation	192,011
	<u>\$ 717,118</u>

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 7 - SHORT-TERM DEBT**

---

Short-term debt may be authorized and issued to fund the following:

Capital project costs and other approved expenditures incurred to obtaining permanent financing through issuance of bond anticipation notes (BANs).

Transactions in short-term debt for the year are summarized below:

	<b>Maturity</b>	<b>Stated Interest Rate</b>	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>
BAN	9/3/2021	2.50%	\$ 646,200	\$ -	\$ 646,200	\$ -
BAN	8/4/2021	2.00%	1,000,000	-	1,000,000	-
BAN	6/30/2022	1.00%	-	1,000,000	1,000,000	-
BAN	9/2/2022	1.25%	-	684,200	-	684,200
			<u>\$ 1,646,200</u>	<u>\$ 1,684,200</u>	<u>\$ 2,646,200</u>	<u>\$ 684,200</u>

Interest on short-term debt for the year composed of:

Interest Paid	\$ 45,238
Less: Interest Accrued in the Prior Year	(31,516)
Plus: Interest Accrued in the Current Year	<u>7,151</u>
Total Interest on Short-Term Debt	<u>\$ 20,873</u>

The proceeds of the BANs were used as short-term financing for bus purchases, and to provide short-term financing for a District-wide project.

**NOTE 8 - LONG-TERM DEBT OBLIGATIONS**

---

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.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 8 - LONG-TERM DEBT OBLIGATIONS - Continued**

**Serial Bonds**

The 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 local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Long-Term Liabilities:					
General Obligation Debt					
Serial Bonds	\$ 6,005,000	\$ 970,000	480,000	\$ 6,495,000	\$ 530,000
Premium on Bonds	689,000	86,378	53,000	722,378	58,759
Total Long-Term Liabilities	<u>6,694,000</u>	<u>1,056,378</u>	<u>533,000</u>	<u>7,217,378</u>	<u>588,759</u>
Other Long-Term Liabilities					
Net Pension Liability - Proportionate Share					
	500,652	-	500,652	-	-
Compensated Absences Payable					
	269,688	-	14,816	254,872	-
Other Postemployment Benefits					
	<u>44,989,572</u>	<u>-</u>	<u>434,528</u>	<u>44,555,044</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>45,759,912</u>	<u>-</u>	<u>949,996</u>	<u>44,809,916</u>	<u>-</u>
Total Governmental Activities	<u>\$ 52,453,912</u>	<u>\$ 1,056,378</u>	<u>\$ 1,482,996</u>	<u>\$ 52,027,294</u>	<u>\$ 588,759</u>

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

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 8 - LONG-TERM DEBT OBLIGATIONS - Continued**

---

Bonds payable is comprised of the following:

<b>Description</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate (%)</b>	<b>Balance</b>
Serial Bond 2012	06/28/12	06/15/28	2.0-3.5	\$ 685,000
Serial Bond 2019	06/17/19	06/15/34	3.0-5.0	4,840,000
Serial Bond 2022	06/15/22	06/15/27	5.00	<u>970,000</u>
Total				<u>\$ 6,495,000</u>

The following is a summary of debt service requirements at year-end June 30:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 530,000	\$ 308,856	\$ 838,856
2024	575,000	270,625	845,625
2025	600,000	244,500	844,500
2026	550,000	217,200	767,200
2027	495,000	191,350	686,350
2028-2032	2,685,000	588,250	3,273,250
Thereafter	<u>1,060,000</u>	<u>101,250</u>	<u>1,161,250</u>
Total	<u>\$ 6,495,000</u>	<u>\$ 1,922,031</u>	<u>\$ 8,417,031</u>

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 8 - LONG-TERM DEBT OBLIGATIONS - Continued**

---

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 266,775
Less: Interest Accrued in the Prior Year	(11,466)
Plus: Interest Accrued in the Current Year	12,792
Less: Amortization of Bond Premium	<u>(53,000)</u>
Total Interest on Long-Term Debt	<u>\$ 215,101</u>

**NOTE 9 - PENSION PLANS**

---

**General Information**

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**Teachers' Retirement System (TRS) Plan Description**

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits, to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

**Employees' Retirement System (ERS) Plan Description**

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



**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**TRS Benefits Provided**

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

*Tier 1*

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

*Tier 2*

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

*Tier 3*

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

*Tier 4*

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

*Tier 5*

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

*Tier 6*

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**TRS Benefits Provided - Continued**

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits vest after 5 years of credited service except for Tier 5 and 6 where 10 years of credited service are required. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**TRS Benefits Provided – Continued**

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of annual benefit. The applicable percentage payable beginning September 2019 is 1.0%. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

**ERS Benefits Provided**

Benefits

The System provides retirement benefits as well as death and disability benefits.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**ERS Benefits Provided - Continued**

*Tier 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

*Tier 3, 4, and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**ERS Benefits Provided - Continued**

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculated is limited to no more than 10 percent greater than the average of the previous 2 years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**ERS Benefits Provided – Continued**

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regard less of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

**Funding Policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% 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 for the ERS' fiscal year ended March 31. (The District chose to prepay the required contributions by December 15, 2021 and received an overall discount of \$ 1,224.)

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**Funding Policies-Continued**

The District's share of the required contributions based on covered payroll paid for the current and two preceding years were:

	<b>NYSTRS</b>	<b>NYSERS</b>
2021-2022	\$ 268,761	\$ 148,190
2020-2021	270,876	126,238
2019-2020	320,251	104,160

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised.

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

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

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2022	June 30, 2021
District's Proportionate Share of the Net Pension Asset (Liability)	\$ 257,878	\$ 2,879,285
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0031546%	0.016615%
Change in Proportion Since the Prior Measurement Date	-0.0002240%	-0.001398%

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued**

For the year ended June 30, 2022, the District's recognized pension expense (credit) of \$(109,470) for ERS and \$(476,861) for TRS. At June 30, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 19,529	\$ 396,879	\$ 25,331	\$ 14,959
Changes of Assumptions	430,369	947,057	7,262	167,710
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	844,441	3,013,470
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	58,307	92,840	4,821	60,291
District's Contributions Subsequent to the Measurement Date	36,673	314,149	-	-
Total	<u>\$ 544,878</u>	<u>\$ 1,750,925</u>	<u>\$ 881,855</u>	<u>\$ 3,256,430</u>



---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

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

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

	<b>ERS</b>	<b>TRS</b>
2023	\$ (50,584)	\$ (369,177)
2024	(78,942)	(437,174)
2025	(203,524)	(548,512)
2026	(40,600)	(711,688)
2027	-	145,073
Thereafter	-	101,824

**Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation Rate	2.7%	2.4%

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - 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' Scale MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

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

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

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

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

**Discount Rate**

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

<b>ERS</b>	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (663,774)	\$ 257,878	\$ 1,028,794
<b>TRS</b>	<b>1% Decrease (5.95%)</b>	<b>Current Assumption (6.95%)</b>	<b>1% Increase (7.95%)</b>
District's Proportionate Share of the Net Pension Asset (Liability)	\$ 302,139	\$ 2,879,285	\$ 5,045,189

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 9 - PENSION PLANS - Continued**

---

**Pension Plan Fiduciary Net Position**

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

	(In Thousands)		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Measurement Date	March 31, 2022	June 30, 2021	
Employer's Total Pension Asset (Liability)	\$ (223,874,888)	\$ (130,819,415)	\$ (354,694,303)
Plan Net Position	<u>232,049,473</u>	<u>148,148,457</u>	<u>380,197,930</u>
Employer's Net Pension Asset (Liability)	<u>\$ 8,174,585</u>	<u>\$ 17,329,042</u>	<u>\$ 25,503,627</u>
Ratio of Plan Net Position to the Employer's Total Pension Asset (Liability)	103.65%	113.25%	

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$36,673. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$352,669.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 10 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS**

---

Interfund balances at June 30, 2022 are as follows:

	<b>Interfund</b>		<b>Interfund</b>	
	<b>Receivables</b>	<b>Payables</b>	<b>Revenues</b>	<b>Expenditures</b>
General	\$ 975,706	\$ 469,426	\$ 256,422	\$ 295,953
Special Aid	-	778,596	9,531	-
School Food Service	-	191,235	30,000	-
Debt Service	349,974	-	13,911	266,422
Extra Classroom Activity	283	-	-	-
Scholarships & Awards	-	5,875	-	-
Capital Projects - Major	249,996	1,621	10,000	13,911
Capital Projects - Non-Major	99,824	229,030	256,422	-
Total	<u>\$ 1,675,783</u>	<u>\$ 1,675,783</u>	<u>\$ 576,286</u>	<u>\$ 576,286</u>

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. The General Fund advances funds to the Special Aid Fund and the School Food Service Fund to provide temporary cash until New York State has reimbursed the grant programs. Unexpended funds from a capital project are transferred to the Debt Service Fund upon completion. An interfund transfer was made from General Fund to Capital Projects Fund-Non-Major to cover the capital outlay project. An interfund transfer was made from General Fund to School Food Service Fund as budgeted to cover the deficit fund balance.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 11 – FUND BALANCE EQUITY**

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2022:

<b>Fund Balances(Deficits)</b>	<b>General</b>	<b>Special Aid</b>	<b>Capital Projects Fund -Buses</b>	<b>Capital Project Fund -2019 Campus Wide</b>	<b>Total Non- Major</b>	<b>Total Government al Funds</b>
Non-Spendable						
Prepaid Expenditures	\$ 5,708	\$ -	\$ -	\$ -	\$ -	\$ 5,708
Restricted						
Retirement Cont.	536,832	-	-	-	-	536,832
Workers' Comp.	194,351	-	-	-	-	194,351
Unemployment Ins.	144,359	-	-	-	-	144,359
Debt Service	-	-	-	-	389,489	389,489
Employee Benefit Accrued Liability	240,174	-	-	-	-	240,174
Repairs	37,800	-	-	-	-	37,800
Extra Classroom Activities	-	-	-	-	31,616	31,616
Scholarships and Awards	-	-	-	-	9,491	9,491
Assigned						
Designated for Next Fiscal Year	497,364	-	-	-	-	497,364
General Support	30,541	-	-	-	-	30,541
Instruction	12,589	-	-	-	-	12,589
Pupil Transportation	76,055	-	-	-	-	76,055
Capital Projects	-	-	-	-	99,824	99,824
Unassigned (Deficit)						
General Fund	84,000	-	-	-	-	84,000
School Food Service Fund	-	-	-	-	(73,192)	(73,192)
Special Aid	-	(72,076)	-	-	-	(72,076)
Capital Projects	-	-	(425,464)	-	(229,030)	(654,494)
Total Governmental Fund Balance (Deficit)	<u>\$ 1,859,773</u>	<u>\$ (72,076)</u>	<u>\$ (425,464)</u>	<u>\$ -</u>	<u>\$ 228,198</u>	<u>\$ 1,590,431</u>

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS**

---

**General Information about the OPEB Plan**

*Plan Description* – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District’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 Statement 75.

*Benefits Provided* – The District provides healthcare benefits for retirees and their dependents. 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.

*Employees Covered by Benefit Terms* – At July 1, 2021 (measurement date), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	65
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>82</u>
Total Covered Employees	<u><u>147</u></u>

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2022, the District recognized \$986,993 for its share of premiums for currently enrolled retirees.

The District provides postemployment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District’s contractual agreements.

The District provides a self-insured minimum premium traditional indemnity plan to eligible retirees and dependents through the St. Lawrence-Lewis health care consortium (the Plan). Currently 63 retired employees have elected to participate and contribute health insurance payments under the District’s plan. Participants must be eligible to retire under the New York State Retirement System (ERS or TRS) and meet the minimum requirements of age 55 with 5 years of service. The plan pays for 100% of the cost of premiums of employees who retired prior to July 1, 2008 and 98% of the cost of premiums of employees who retired after July 1, 2008 and before July 1, 2009 and 95% of the cost of premiums of employees who retired after July 1, 2009. The plan pays 95% of the cost of premiums of employees who were principals, superintendents, and term employees.

---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS – Continued**

---

**General Information about the OPEB Plan - Continued**

Spousal benefits continue for the life of the retired employee spouse and surviving spouses are permitted to continue coverage after the death of the retiree but are responsible for paying 100% of the plan premium through COBRA. The plan pays for 95% of the cost of spousal premiums of employees who retired prior to July 1, 2008 and 93% of the cost of spousal premiums of employees who retired after July 1, 2008 and before July 1, 2009 and 90% of the cost of spousal premiums of employees who retired after July 1, 2009. The Plan issues a publicly available financial report.

**Total OPEB Liability**

The District has obtained an actuarial valuation report as of June 30, 2022 which indicates that the total liability for other postemployment benefits is \$44,555,044 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2021 and was determined by actuarial valuation as of July 1, 2021.

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

**Actuarial Methods and Assumptions**

Measurement Date	07/01/21
Rate of Compensation Increase	3.00%
Inflation Rate	2.50%
Discount Rate	2.14%

**Assumed Medical/Prescription Drug Trend Rates at June 30**

Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.00%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	3.94%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2092

**Additional Information**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (In Years)	6.34
Amortization Period Status	Open
Method Used to Determine Actuarial Value of Assets	N/A



---

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS – Continued**

---

**Total OPEB Liability - Continued**

The discount rate was based on the Bond Buyer Weekly 20-Bond Go Index as of July 1, 2021.

Mortality rates were based on the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and projected forward with scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 – June 30, 2021.

**Changes in the Total OPEB Liability**

Balance at June 30, 2021	\$ 44,989,572
Changes for the Year	
Service Cost	1,895,312
Interest	1,025,543
Differences Between Expected and Actual Experience	1,190,269
Changes of Assumptions or Other Inputs	(3,585,237)
Benefit Payments	<u>(960,415)</u>
Net Changes	<u>(434,528)</u>
Balance at June 30, 2022	<u>\$ 44,555,044</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent as of July 1, 2020 to 2.14 percent on July 1, 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 (1.14 percent) or 1 percentage point higher (3.14 percent) than the current discount rate:

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS – Continued**

**Changes in the Total OPEB Liability - Continued**

	1% Decrease 1.14%	Discount Rate 2.14%	1% Increase 3.14%
Total OPEB Liability	<u>\$ 52,989,686</u>	<u>\$ 44,555,044</u>	<u>\$ 37,862,625</u>

*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 (trend decreasing to 2.94 percent) or 1 percentage point higher (trend increasing to 4.94 percent) than the current healthcare cost trend rate:

	1% Decrease (trend Less 1% Decreasing to 2.94%)	Healthcare Cost Trend Rates (Trend Decreasing to 3.94%)	1% Increase (Trend Plus 1% Increasing to 4.94%)
Total OPEB Liability	<u>\$ 37,012,262</u>	<u>\$ 44,555,044</u>	<u>\$ 54,544,277</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$962,410. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,367,987	\$ 333,798
Changes of Assumptions or Other Inputs	7,045,456	5,777,078
Benefit Payments Subsequent to the Measurement Date	1,102,755	-
	<u>\$ 9,516,198</u>	<u>\$ 6,110,876</u>

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS**– Continued

---

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

District benefit payments subsequent to measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,

2023	\$ (855,690)
2024	744,902
2025	1,421,329
2026	1,154,257
2027	(33,793)
2028 and Thereafter	<u>(128,438)</u>
	<u>\$ 2,302,567</u>

**NOTE 13 - 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.

**Pooled Non-Risk-Retained**

The District participates in the St. Lawrence-Lewis Counties School District Employee Medical Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 18 individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to \$2,000,000 annual maximum and the District has essentially transferred all related risk to the pool.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 13 - RISK MANAGEMENT - Continued**

---

**Pooled Non-Risk-Retained – Continued**

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$-0-.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

---

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

**NOTE 15 – DONOR-RESTRICTED ENDOWMENTS**

---

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

Donor-restricted endowments are reported at fair value.

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2022

**NOTE 16 – RESTATEMENT OF NET POSITION**

---

Due to the District’s implementation of GASB Statement No. 87, *Leases*, a one-time prior-period adjustment of \$5,189 must be made to Capital Assets, Net on the Statement of Net Position to reflect the transition to GASB 87.

Net Position Beginning of Year, as Previously Stated	\$(27,686,180)
Increase in Intangible Lease Asset	<u>5,189</u>
Net Position Beginning of Year, as Restated	<u><u>\$(27,680,991)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FIVE FISCAL YEARS**

Ended June 30, 2022

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 1,895,312	\$ 1,356,718	\$ 1,022,079	\$ 1,290,475	\$ 1,342,680
Interest	1,025,543	1,233,637	1,200,374	1,212,095	1,200,653
Difference between Expected and Actual Experience	1,190,269	-	703,846	-	(1,938,583)
Changes in Assumptions or Other Inputs	(3,585,237)	8,943,066	1,865,758	(3,979,682)	(8,131,813)
Benefit Payments	(960,415)	(867,786)	(926,893)	(885,904)	(873,309)
<b>Net Change in Total OPEB Liability</b>	<u>(434,528)</u>	<u>10,665,635</u>	<u>3,865,164</u>	<u>(2,363,016)</u>	<u>(8,400,372)</u>
<b>Total OPEB Liability - Beginning</b>	<u>44,989,572</u>	<u>34,323,937</u>	<u>30,458,773</u>	<u>32,821,789</u>	<u>41,222,161</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 44,555,044</u></u>	<u><u>\$ 44,989,572</u></u>	<u><u>\$ 34,323,937</u></u>	<u><u>\$ 30,458,773</u></u>	<u><u>\$ 32,821,789</u></u>
<b>Covered Payroll</b>	\$ 3,825,852	\$ 4,017,925	\$ 3,815,552	\$ 3,730,552	\$ 3,595,586
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	1164.58%	1119.72%	899.58%	816.47%	912.84%

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

**THIS PAGE INTENTIONALLY LEFT BLANK.**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
Year Ended June 30, 2022

	Original Budget	Final Budget
<b>REVENUES</b>		
Local Sources		
Real Property Taxes	\$ 4,027,212	\$ 4,027,212
Other Tax Items	3,000	3,000
Charges for Services	51,000	51,000
Use of Money and Property	5,000	5,000
Sale of Property and Compensation for Loss	-	-
Miscellaneous	9,000	9,000
Total Local Sources	<u>4,095,212</u>	<u>4,095,212</u>
State Sources	6,526,937	6,526,937
Medicaid Reimbursement	30,000	30,000
Federal Sources	-	-
Total Revenues	<u>10,652,149</u>	<u>10,652,149</u>
<b>OTHER FINANCING SOURCES</b>		
Transfers From Other Funds	252,422	252,422
Appropriated Reserves	262,799	262,799
Total Revenues and Other Financing Sources	<u>11,167,370</u>	<u>11,167,370</u>
<b>EXPENDITURES</b>		
General Support		
Board of Education	7,300	10,599
Central Administration	194,647	201,547
Finance	225,156	247,486
Staff	49,982	63,247
Central Services	792,602	882,662
Special Items	351,697	363,127
Total General Support	<u>1,621,384</u>	<u>1,768,668</u>
Instruction		
Instruction, Administration and Improvement	224,950	189,555
Teaching - Regular School	2,328,375	2,344,315
Programs for Children with Handicapping Conditions	921,100	827,055
Occupational Education	402,207	417,407
Teaching - Special School	40,000	31,700
Instructional Media	308,986	310,877
Pupil Services	587,610	601,951
Total Instruction	<u>4,813,228</u>	<u>4,722,860</u>
Pupil Transportation	675,102	766,511
Community Service	3,000	3,000
Employee Benefits	3,301,872	3,094,847
Debt Service	967,910	1,017,030
Total Expenditures	<u>11,382,496</u>	<u>11,372,916</u>
<b>OTHER FINANCING USES</b>		
Operating Transfers to Other Funds	286,422	296,002
Total Expenditures and Other Financing Uses	<u>11,668,918</u>	<u>11,668,918</u>
Net Change in Fund Balance	(501,548)	(501,548)
Fund Balances - Beginning of Year, as Restated	2,224,929	2,224,929
Fund Balances - End of Year	<u>\$ 1,723,381</u>	<u>\$ 1,723,381</u>

**Note to Required Supplementary Information** Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting consistent



**HARRISVILLE CENTRAL SCHOOL DISTRICT**

<b>Actual</b>	<b>Final Budget Variance With Actual</b>																																																																																																																																																																																																			
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">\$</td><td style="width: 95%;">3,663,901</td></tr> <tr><td></td><td>370,090</td></tr> <tr><td></td><td>2,113</td></tr> <tr><td></td><td>5,668</td></tr> <tr><td></td><td>5,824</td></tr> <tr><td></td><td>102,110</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>4,149,706</td></tr> <tr><td></td><td>6,074,600</td></tr> <tr><td></td><td>24,019</td></tr> <tr><td></td><td>51,968</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>10,300,293</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>256,422</td></tr> <tr><td></td><td>-</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>10,556,715</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>	\$	3,663,901		370,090		2,113		5,668		5,824		102,110	<hr/>			4,149,706		6,074,600		24,019		51,968	<hr/>			10,300,293	<hr/>			256,422		-	<hr/>			10,556,715	<hr/>			<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">\$</td><td style="width: 95%;">(363,311)</td></tr> <tr><td></td><td>367,090</td></tr> <tr><td></td><td>(48,887)</td></tr> <tr><td></td><td>668</td></tr> <tr><td></td><td>5,824</td></tr> <tr><td></td><td>93,110</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>54,494</td></tr> <tr><td></td><td>(452,337)</td></tr> <tr><td></td><td>(5,981)</td></tr> <tr><td></td><td>51,968</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>(351,856)</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>4,000</td></tr> <tr><td></td><td>(262,799)</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td style="text-align: center;">\$</td><td style="text-align: center;">(610,655)</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>	\$	(363,311)		367,090		(48,887)		668		5,824		93,110	<hr/>			54,494		(452,337)		(5,981)		51,968	<hr/>			(351,856)	<hr/>			4,000		(262,799)	<hr/>		\$	(610,655)	<hr/>																																																																																																																							
\$	3,663,901																																																																																																																																																																																																			
	370,090																																																																																																																																																																																																			
	2,113																																																																																																																																																																																																			
	5,668																																																																																																																																																																																																			
	5,824																																																																																																																																																																																																			
	102,110																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	4,149,706																																																																																																																																																																																																			
	6,074,600																																																																																																																																																																																																			
	24,019																																																																																																																																																																																																			
	51,968																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	10,300,293																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	256,422																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	10,556,715																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	(363,311)																																																																																																																																																																																																			
	367,090																																																																																																																																																																																																			
	(48,887)																																																																																																																																																																																																			
	668																																																																																																																																																																																																			
	5,824																																																																																																																																																																																																			
	93,110																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	54,494																																																																																																																																																																																																			
	(452,337)																																																																																																																																																																																																			
	(5,981)																																																																																																																																																																																																			
	51,968																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	(351,856)																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	4,000																																																																																																																																																																																																			
	(262,799)																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	(610,655)																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	<b>Year-End Encumbrances</b>	<b>Final Budget Variance With Actual and Encumbrances</b>																																																																																																																																																																																																		
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;"></td><td style="width: 95%;">9,664</td></tr> <tr><td></td><td>197,957</td></tr> <tr><td></td><td>245,121</td></tr> <tr><td></td><td>55,069</td></tr> <tr><td></td><td>678,356</td></tr> <tr><td></td><td>356,138</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>1,542,305</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>180,415</td></tr> <tr><td></td><td>2,297,937</td></tr> <tr><td></td><td>790,356</td></tr> <tr><td></td><td>417,344</td></tr> <tr><td></td><td>18,122</td></tr> <tr><td></td><td>264,716</td></tr> <tr><td></td><td>496,878</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>4,465,768</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>621,892</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>2,978,940</td></tr> <tr><td></td><td>1,017,013</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>10,625,918</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>295,953</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>10,921,871</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>(365,156)</td></tr> <tr><td></td><td>2,224,929</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td style="text-align: center;">\$</td><td style="text-align: center;">1,859,773</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>		9,664		197,957		245,121		55,069		678,356		356,138	<hr/>			1,542,305	<hr/>			180,415		2,297,937		790,356		417,344		18,122		264,716		496,878	<hr/>			4,465,768	<hr/>			621,892		-		2,978,940		1,017,013	<hr/>			10,625,918	<hr/>			295,953	<hr/>			10,921,871	<hr/>			(365,156)		2,224,929	<hr/>		\$	1,859,773	<hr/>		<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">\$</td><td style="width: 95%;">-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>30,541</td></tr> <tr><td></td><td>-</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>30,541</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>125</td></tr> <tr><td></td><td>8,256</td></tr> <tr><td></td><td>2,507</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>540</td></tr> <tr><td></td><td>1,161</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>12,589</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>76,055</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td></td><td>-</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>119,185</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>-</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td style="text-align: center;">\$</td><td style="text-align: center;">119,185</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>	\$	-		-		-		-		30,541		-	<hr/>			30,541	<hr/>			125		8,256		2,507		-		-		540		1,161	<hr/>			12,589	<hr/>			76,055		-		-		-		-		-	<hr/>			119,185	<hr/>			-	<hr/>		\$	119,185	<hr/>		<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">\$</td><td style="width: 95%;">935</td></tr> <tr><td></td><td>3,590</td></tr> <tr><td></td><td>2,365</td></tr> <tr><td></td><td>8,178</td></tr> <tr><td></td><td>173,765</td></tr> <tr><td></td><td>6,989</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>195,822</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>9,015</td></tr> <tr><td></td><td>38,122</td></tr> <tr><td></td><td>34,192</td></tr> <tr><td></td><td>63</td></tr> <tr><td></td><td>13,578</td></tr> <tr><td></td><td>45,621</td></tr> <tr><td></td><td>103,912</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>244,503</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>68,564</td></tr> <tr><td></td><td>3,000</td></tr> <tr><td></td><td>115,907</td></tr> <tr><td></td><td>17</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>627,813</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td></td><td>49</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td style="text-align: center;">\$</td><td style="text-align: center;">627,862</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>	\$	935		3,590		2,365		8,178		173,765		6,989	<hr/>			195,822	<hr/>			9,015		38,122		34,192		63		13,578		45,621		103,912	<hr/>			244,503	<hr/>			68,564		3,000		115,907		17	<hr/>			627,813	<hr/>			49	<hr/>		\$	627,862	<hr/>	
	9,664																																																																																																																																																																																																			
	197,957																																																																																																																																																																																																			
	245,121																																																																																																																																																																																																			
	55,069																																																																																																																																																																																																			
	678,356																																																																																																																																																																																																			
	356,138																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	1,542,305																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	180,415																																																																																																																																																																																																			
	2,297,937																																																																																																																																																																																																			
	790,356																																																																																																																																																																																																			
	417,344																																																																																																																																																																																																			
	18,122																																																																																																																																																																																																			
	264,716																																																																																																																																																																																																			
	496,878																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	4,465,768																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	621,892																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	2,978,940																																																																																																																																																																																																			
	1,017,013																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	10,625,918																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	295,953																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	10,921,871																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	(365,156)																																																																																																																																																																																																			
	2,224,929																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	1,859,773																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	30,541																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	30,541																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	125																																																																																																																																																																																																			
	8,256																																																																																																																																																																																																			
	2,507																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	540																																																																																																																																																																																																			
	1,161																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	12,589																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	76,055																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
	-																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	119,185																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	-																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	119,185																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	935																																																																																																																																																																																																			
	3,590																																																																																																																																																																																																			
	2,365																																																																																																																																																																																																			
	8,178																																																																																																																																																																																																			
	173,765																																																																																																																																																																																																			
	6,989																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	195,822																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	9,015																																																																																																																																																																																																			
	38,122																																																																																																																																																																																																			
	34,192																																																																																																																																																																																																			
	63																																																																																																																																																																																																			
	13,578																																																																																																																																																																																																			
	45,621																																																																																																																																																																																																			
	103,912																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	244,503																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	68,564																																																																																																																																																																																																			
	3,000																																																																																																																																																																																																			
	115,907																																																																																																																																																																																																			
	17																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	627,813																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
	49																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				
\$	627,862																																																																																																																																																																																																			
<hr/>																																																																																																																																																																																																				

with accounting principles generally accepted in the United States of America.

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN  
LAST EIGHT FISCAL YEARS**

Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Teachers' Retirement System (TRS)</b>								
District's Proportion of the Net Pension Asset (Liability)	0.016615%	0.018013%	0.018066%	0.018846%	0.017329%	0.016675%	0.017049%	0.018298%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ 2,879,285	\$ (497,734)	\$ 469,362	\$ 340,778	\$ 131,715	\$ (178,596)	\$ 1,770,891	\$ 2,038,335
District's Covered Payroll	\$ 3,345,357	\$ 2,830,130	\$ 3,236,618	\$ 3,219,102	\$ 2,900,261	\$ 2,707,184	\$ 2,645,512	\$ 2,760,308
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	<u>86.07%</u>	<u>17.59%</u>	<u>14.50%</u>	<u>10.59%</u>	<u>4.54%</u>	<u>6.60%</u>	<u>66.94%</u>	<u>73.84%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
<b>Employees' Retirement System (ERS)</b>								
District's Proportion of the Net Pension Asset (Liability)	0.0031546%	0.0029306%	0.0024968%	0.0025951%	0.0028135%	0.0024250%	0.0024297%	0.0026215%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ 257,878	\$ (2,918)	\$ (661,171)	\$ (183,872)	\$ (90,804)	\$ (227,861)	\$ (389,967)	\$ (88,559)
District's Covered Payroll	\$ 965,446	\$ 906,332	\$ 759,572	\$ 752,961	\$ 773,611	\$ 682,206	\$ 661,921	\$ 705,614
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	<u>26.71%</u>	<u>0.32%</u>	<u>87.05%</u>	<u>24.42%</u>	<u>11.74%</u>	<u>33.40%</u>	<u>58.91%</u>	<u>12.55%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

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

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – NYSLRS PENSION PLAN**

**LAST EIGHT FISCAL YEARS**

Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Teachers' Retirement System (TRS)</b>								
Contractually Required Contribution	\$ 268,761	\$ 270,876	\$ 320,251	\$ 300,834	\$ 321,833	\$ 341,195	\$ 448,953	\$ 439,232
Contributions in Relation to the Contractually Required Contribution	<u>268,761</u>	<u>270,876</u>	<u>320,251</u>	<u>300,834</u>	<u>321,833</u>	<u>341,195</u>	<u>448,953</u>	<u>439,232</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	3,345,357	2,830,130	3,236,618	3,219,102	2,900,261	2,707,184	2,645,512	2,760,308
Contributions as a Percentage of Covered Payroll	8.03%	9.57%	9.89%	9.35%	11.10%	12.60%	16.97%	15.91%
<b>Employees' Retirement System (ERS)</b>								
Contractually Required Contribution	\$ 148,190	\$ 126,238	\$ 104,160	\$ 104,874	\$ 113,128	\$ 98,284	\$ 135,284	\$ 114,363
Contributions in Relation to the Contractually Required Contribution	<u>148,190</u>	<u>126,238</u>	<u>104,160</u>	<u>104,874</u>	<u>113,128</u>	<u>98,284</u>	<u>135,284</u>	<u>114,363</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	965,446	906,332	759,572	752,961	773,611	682,206	661,921	705,614
Contributions as a Percentage of Covered Payroll	15.35%	13.93%	13.71%	13.93%	14.62%	14.41%	20.44%	16.21%

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

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

HARRISVILLE CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND**

Year Ended June 30, 2022

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 11,644,734
Add: Prior Year's Encumbrances	<u>24,184</u>
Original Budget	11,668,918
Budget Revision	<u>-</u>
Final Budget	<u><u>\$ 11,668,918</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION**

2022-2023 Voter Approved Expenditure Budget	<u><u>\$ 11,321,461</u></u>
Maximum Allowed 4% of 2022-2023 Budget	<u><u>\$ 452,858</u></u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 616,549
Unassigned Fund Balance	<u>84,000</u>
Total Unrestricted Fund Balance	<u>700,549</u>
Less:	
Appropriated Fund Balance	497,364
Encumbrances Included in Assigned Fund Balance	<u>119,185</u>
Total Adjustments	<u>616,549</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 84,000</u></u>
Actual Percentage	<u><u>0.74%</u></u>

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES**

Year Ended June 30, 2022

PROJECT TITLE	Expenditures					Financing Resources					Fund Balance (Deficit) 6/30/2022	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	BAN Redeemed From Appropriations	Proceeds Of Obligations	Local Sources	Total		Transfer to Debt Service Fund
Capital Project 2015	\$ 6,800,000	\$ 6,800,000	\$ 6,831,422	\$ -	\$ 6,831,422	\$ (31,422)	\$ 210,000	\$ 5,670,000	\$ 951,422	\$ 6,831,422	\$ -	\$ -
\$100,000 project	100,000	100,000	-	176	176	-	-	-	100,000	100,000	-	99,824
Capital Project 2019	1,000,000	1,000,000	925,574	60,515	986,089	13,911	-	970,000	30,000	1,000,000	13,911	-
Smart School Bond Act	300,494	300,494	193,651	35,379	229,030	71,464	-	-	-	-	-	(229,030)
Buses	1,678,000	1,678,000	1,222,269	196,995	1,419,264	258,736	993,800	-	-	993,800	-	(425,464)
<b>Totals</b>	<b>\$ 9,878,494</b>	<b>\$ 9,878,494</b>	<b>\$ 9,172,916</b>	<b>\$ 293,065</b>	<b>\$ 9,465,981</b>	<b>\$ 312,689</b>	<b>\$ 1,203,800</b>	<b>\$ 6,640,000</b>	<b>\$ 1,081,422</b>	<b>\$ 8,925,222</b>	<b>\$ 13,911</b>	<b>\$ (554,670)</b>

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS**

June 30, 2022

	<u>School Food Service Fund</u>	<u>Extra Classroom Activities</u>	<u>Scholarships and Awards</u>	<u>Debt Service</u>	<u>Capital Project Fund 2015 Campus-wide</u>	<u>Capital Project Fund Other</u>	<u>Capital Project Fund Smart Schools</u>	<u>Total Non-Major Funds</u>
<b>ASSETS</b>								
Cash and Cash Equivalents								
Unrestricted	\$ 13,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,814
Restricted	-	31,521	15,366	39,515	-	-	-	86,402
Receivables								
Due From Other Funds	-	283	-	349,974	-	99,824	-	450,081
State and Federal Aid	94,834	-	-	-	-	-	229,030	323,864
Inventories	12,624	-	-	-	-	-	-	12,624
<b>TOTAL ASSETS</b>	<u>\$ 121,272</u>	<u>\$ 31,804</u>	<u>\$ 15,366</u>	<u>\$ 389,489</u>	<u>\$ -</u>	<u>\$ 99,824</u>	<u>\$ 229,030</u>	<u>\$ 886,785</u>
<b>LIABILITIES</b>								
Payables								
Accrued Liabilities	\$ 2,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,478
Due to Other Funds	191,235	-	5,875	-	-	-	229,030	426,140
Due to Other Governments	751	188	-	-	-	-	-	939
Total Liabilities	<u>194,464</u>	<u>188</u>	<u>5,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,030</u>	<u>429,557</u>
<b>DEFERRED INFLOW OF RESOURCES</b>								
Deferred State Aid	-	-	-	-	-	-	229,030	229,030
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,030</u>	<u>229,030</u>
<b>FUND BALANCES (DEFICITS)</b>								
Restricted	-	31,616	9,491	389,489	-	-	-	430,596
Assigned	-	-	-	-	-	99,824	-	99,824
Unassigned(Deficit)	(73,192)	-	-	-	-	-	(229,030)	(302,222)
Total Fund Balances(Deficits)	<u>(73,192)</u>	<u>31,616</u>	<u>9,491</u>	<u>389,489</u>	<u>-</u>	<u>99,824</u>	<u>(229,030)</u>	<u>228,198</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 121,272</u>	<u>\$ 31,804</u>	<u>\$ 15,366</u>	<u>\$ 389,489</u>	<u>\$ -</u>	<u>\$ 99,824</u>	<u>\$ 229,030</u>	<u>\$ 886,785</u>

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

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS**

Year Ended June 30, 2022

	School Food Service Fund	Extra Classroom Activities	Scholarships and Awards	Debt Service	Capital Project Fund 2015 Campus-wide	Capital Project-Other Other	Capital Project Fund Smart Schools	Total Non-Major Funds
<b>REVENUES</b>								
Use of Money and Property	\$ 2	\$ -	\$ 12	\$ 580	\$ -	\$ -	\$ -	\$ 594
State Sources	4,475	-	-	-	-	-	-	4,475
Federal Sources	228,560	-	-	-	-	-	-	228,560
Surplus Food	20,413	-	-	-	-	-	-	20,413
Sales - School Food Service	13,583	-	-	-	-	-	-	13,583
Miscellaneous	-	66,414	5,325	-	-	-	-	71,739
Total Revenues	<u>267,033</u>	<u>66,414</u>	<u>5,337</u>	<u>580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,364</u>
<b>EXPENDITURES</b>								
General Support	134,177	-	-	-	-	-	-	134,177
Employee Benefits	67,295	-	-	-	-	-	-	67,295
Cost of Sales - School Food Service	111,357	-	-	-	-	-	-	111,357
Other Expenditures	-	64,460	3,500	-	-	-	-	67,960
Capital Outlay	-	-	-	-	-	176	35,379	35,555
Total Expenditures	<u>312,829</u>	<u>64,460</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>176</u>	<u>35,379</u>	<u>416,344</u>
Excess (Deficiency) of Revenues								
Over Expenditures	<u>(45,796)</u>	<u>1,954</u>	<u>1,837</u>	<u>580</u>	<u>-</u>	<u>(176)</u>	<u>(35,379)</u>	<u>(76,980)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>								
Premium on Debt Issuance	-	-	-	92,079	-	-	-	92,079
Bond Issuance Cost	-	-	-	(76,378)	-	-	-	(76,378)
Operating Transfers In	30,000	-	-	13,911	156,422	100,000	-	300,333
Operating Transfers (Out)	-	-	-	(266,422)	-	-	-	(266,422)
Total Other Financing Sources and (Uses)	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>(236,810)</u>	<u>156,422</u>	<u>100,000</u>	<u>-</u>	<u>49,612</u>
Net Change in Fund Balances	(15,796)	1,954	1,837	(236,230)	156,422	99,824	(35,379)	(27,368)
Fund Balances (Deficits)- Beginning of Year	<u>(57,396)</u>	<u>29,662</u>	<u>7,654</u>	<u>625,719</u>	<u>(156,422)</u>	<u>-</u>	<u>(193,651)</u>	<u>255,566</u>
Fund Balances (Deficits) - End of Year	<u>\$ (73,192)</u>	<u>\$ 31,616</u>	<u>\$ 9,491</u>	<u>\$ 389,489</u>	<u>\$ -</u>	<u>\$ 99,824</u>	<u>\$ (229,030)</u>	<u>\$ 228,198</u>

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

---

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NET INVESTMENT IN CAPITAL ASSETS**

Year Ended June 30, 2022

Capital Assets, Net		\$ 17,471,515
Deduct:		
Bond Anticipation Notes	\$ 684,200	
Less: Unspent BAN Proceeds	(258,736)	
Premium on Bonds Payable	722,378	
Short-Term Portion of Bonds Payable	530,000	
Long-Term Portion of Bonds Payable	<u>5,965,000</u>	<u>7,642,842</u>
Net Investment in Capital Assets		<u>\$ 9,828,673</u>

---

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



**FEDERAL AWARD PROGRAM INFORMATION**



**BOWERS & COMPANY  
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**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  
HARRISVILLE CENTRAL SCHOOL DISTRICT**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrisville Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Harrisville Central School District's basic financial statements, and have issued our report thereon dated October 15, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Harrisville 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 the Harrisville Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Harrisville Central School District's internal control.

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Harrisville 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*.

### **Harrisville Central School District's Response to Findings**

*Governmental Auditing Standards* requires the auditor to perform limited procedures on the Harrisville Central School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Harrisville Central School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Bonner & Company". The signature is written in dark ink and is positioned to the right of the main text block.

Watertown, New York  
October 15, 2022



**BOWERS & COMPANY  
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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

---

**BOARD OF EDUCATION  
HARRISVILLE CENTRAL SCHOOL DISTRICT**

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

**Opinion on Each Major Federal Program**

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

In our opinion, Harrisville 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, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in dark ink and is positioned to the right of the main text block.

Watertown, New York  
October 15, 2022

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2022

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE</b>	<b>Assistance Listing</b>	<b>Agency or Pass-Through Number</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Education</u></b>			
<b>Passed-through NYS Education Department</b>			
Title I Grants to Local Educational Agencies	84.010A	0021-22-1220	\$ 98,333
Special Education Cluster			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-22-0328	92,222
COVID-19: Special Education - Grants to States (IDEA, Part B)	84.027X	5532-22-0328	17,484
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-22-0328	1,677
COVID-19: Special Education - Preschool Grants (IDEA Preschool)	84.173X	5533-22-0328	1,947
Total Special Education Cluster			113,330
Supporting Effective Instruction State Grants	84.367A	0147-22-1220	11,576
Student Support and Academic Enrichment Program	84.424A	0204-22-1220	10,000
Education Stabilization Fund			
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-1120	228,116
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5884-21-1120	50,741
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5883-21-1220	19,450
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880-21-1220	281,828
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5882-21-1220	20,130
Total Education Stabilization Fund			600,265
Total Passed-through NYS Education Department			833,504
<b>Direct Program:</b>			
Rural Education	84.358B		50,470
Total Direct Programs from U.S. Department of Education			50,470
Total U.S. Department of Education			883,974
Subtotal to Next Page			883,974

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

Year Ended June 30, 2022

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE</b>	<b>Assistance Listing</b>	<b>Agency or Pass-Through Number</b>	<b>Total Federal Expenditures</b>
Subtotal from Previous Page			883,974
<b><u>U.S. Federal Communications Commission</u></b>			
<b>Passed-through Universal Service Administration Company</b>			
COVID-19: Emergency Connectivity Fund Program	32.009		51,968
Total Passed-through Universal Service Administration Company			51,968
Total U.S. Federal Communications Commission			51,968
<b><u>U.S. Department of Agriculture</u></b>			
<b>Passed-through NYS Education Department</b>			
COVID-19: Pandemic EBT Administrative Costs	10.649		601
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution):			
Fresh Fruit and Vegetable Program	10.582		5,995
National School Lunch Program	10.555		14,418
Non-Cash Assistance Subtotal			20,413
Cash Assistance:			
School Breakfast Program	10.553		61,167
COVID-19: Emergency Operational Costs Reimbursement Program	10.555		270
COVID-19: Supply Chain Assistance Grant	10.555		11,736
National School Lunch Program	10.555		154,786
Cash Assistance Subtotal			227,959
Total Child Nutrition Cluster			248,372
Total Passed-through NYS Education Department			248,973
Total U.S. Department of Agriculture			248,973
<b>Total Federal Awards Expended</b>			<b>\$ 1,184,915</b>

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.



**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2022

**NOTE 1 – BASIS OF PRESENTATION**

---

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) 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. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District’s financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

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

The federal expenditures are recognized under the Uniform Guidance.

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. 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 of the data presented.

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

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

**NOTE 3 – SUBRECIPIENTS**

---

No amounts were provided to subrecipients.

---

See paragraph on supplementary schedules included in independent auditor’s report and accompanying notes to schedule of expenditures of federal awards.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2022

**NOTE 4 – SCOPE OF AUDIT**

---

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

**NOTE 5 – OTHER DISCLOSURES**

---

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the District's casualty insurance policies.

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

**NOTE 6 – NON-MONETARY FEDERAL PROGRAM**

---

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$14,418 of commodities under the National School Lunch Program (Assistance Listing 10.555) and \$5,995 under the Fresh Fruit and Vegetable Program (Assistance Listing 10.582).

At June 30, 2022, the District had food commodities totaling \$4,396 in inventory.

---

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2022

**NOTE A – SUMMARY OF AUDITOR’S RESULTS**

---

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of Harrisville Central School District.
2. A deficiency identified as a significant deficiency was disclosed during the audit of the basic financial statements of Harrisville Central School District noted in the accompanying schedule of findings and questioned costs 2022-001.
3. No instances of noncompliance material to the financial statements of Harrisville Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs of Harrisville Central School District.
5. The auditor’s report on compliance for the major federal award programs for Harrisville Central School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) related to the major federal award programs for Harrisville Central School District.
7. The programs tested as major programs includes:

U.S. Department of Education

Passed-Through NYS Education Department:

Education Stabilization Fund:

COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U

8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. Harrisville Central School District was determined NOT to be a low-risk auditee.

---

See paragraph on supplementary schedules included in independent auditor’s report and accompanying notes to schedule of expenditures of federal awards.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2022

**NOTE B – FINDINGS – FINANCIAL STATEMENT AUDIT**

---

**Finding Control Number: 2022-001**

*Significant Deficiency*

Maintenance of Reserve Balances

**Criteria**

Management needs to exercise control over the contribution, use and tracking of reserve fund balances. To exercise control, management must develop a plan which ensures that balances are reasonable based on the needs of the District and safeguard restricted cash balances to ensure they are available for their intended use.

**Condition**

The District disbursed cash balances previously restricted from various reserves without seeking appropriate authorization for the use or transfer of reserve funds during the year. As a result, there are insufficient cash balances maintained within several funds to ensure the availability of restricted reserve funds as required.

**Context**

The General Fund reserve fund balances had a total of \$1,153,516 while only maintaining restricted cash balance of \$709,789. Also, the Debt Service Fund reserve fund balance had a total of \$389,489 while only maintaining restricted cash balances of \$39,515.

**Effect**

The District did not have enough cash available within various funds to ensure that restricted cash balances were available for their designed usage.

**Cause**

Reserve fund and restricted cash balances were not reviewed and monitored throughout the year to reconcile with a recent reserve plan. The reserve plan has not been updated in several years.

HARRISVILLE CENTRAL SCHOOL DISTRICT

---

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2022

**NOTE B – FINDINGS – FINANCIAL STATEMENT AUDIT –**  
Continued

---

**Finding Control Number: 2022-001 – Continued**

*Significant Deficiency*

Maintenance of Reserve Balances

**Recommendation**

The Board of Education should be aware that this condition is a significant deficiency. Management should update the reserve plan on an annual basis. Furthermore, restricted cash balances should be monitored to reconcile with the reserve fund balances.

**Views of Responsible Officials and Planned Corrective Actions**

The District plans to update the reserve plan on an annual basis as well as quarterly filing for a Requests of Funds for Federal or State Project (FS-25) for the American Rescue Plan Act of 2021 (ARP) and the ARP State Reserves. Also, in 2021-2022 the STAR reimbursement application was never submitted. We will be receiving the 2021-2022 STAR with the 2022-2023 funds. With these funds we are able to replenish the restricted cash balance for the Debt Service Fund and the General Fund Reserve.

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

---

There were no findings to report.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

June 30, 2022

**NOTE A – FINDINGS – FINANCIAL STATEMENT AUDIT**

---

**Finding Control Number: 2021-001**

*Significant Deficiency*

Reporting of Grants

The IDEA 611 and 619 grants and the Summer School Handicapped 4408 grants require specific reporting requirements be submitted to New York State Education Department to process grant payments to the District.

The District did not fulfill all the reporting requirements for the IDEA 611 and 619 grants and the Summer School Handicapped 4408 grants for multiple years.

**Views of Responsible Officials and Planned Corrective Actions**

The District and the CBO are discussing adding additional assistance to the business office in order to provide more support to allow for additional oversight.

**Status**

The finding doesn't warrant current action.

**Finding Control Number: 2021-002**

*Significant Deficiency*

Preparation of Financial Statements

Management needs to exercise control over the preparation of its financial statements. To exercise control, management must possess the necessary accounting expertise to prevent, detect and correct a potential misstatement in its financial statements.

Management is unable to prepare the financial statements and relies on the external auditor to prepare the financial statements in accordance with generally accepted accounting principles, which includes a significant amount of journal entries to adjust receivables, payables, fund balance and interfund transactions.

---

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

HARRISVILLE CENTRAL SCHOOL DISTRICT

---

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

June 30, 2022

**NOTE A – FINDINGS – FINANCIAL STATEMENT AUDIT –  
Continued**

---

**Finding Control Number: 2021-001– Continued**

*Significant Deficiency*

**Views of Responsible Officials and Planned Corrective Actions**

The District and the CBO are discussing adding additional assistance to the business office in order to provide more support to allow for additional oversight.

**Status**

The finding doesn't warrant current action.

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

---

There was no single audit required in the prior year.

---

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

**EXTRA CLASSROOM ACTIVITY FUND**





**BOWERS & COMPANY**  
**CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS**

---

**BOARD OF EDUCATION**  
**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**Opinion**

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Harrisville Central School District for the year ended June 30, 2022 and the related note to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Harrisville Central School District for the year then ended June 30, 2022, in accordance with cash basis of accounting described in Note 1.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Harrisville Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

**Responsibilities of Management for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

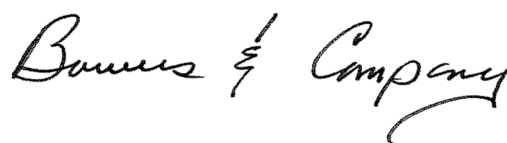
## Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance auditing standards generally accepted in the United States of America and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, we:

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

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



Watertown, New York  
October 15, 2022

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

**EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Year Ended June 30, 2022

<b>Account Name</b>	<b>Cash Balance 7/1/2021</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Cash Balance 6/30/2022</b>
Class of:				
2021	\$ 2,100	\$ -	\$ -	\$ 2,100
2022	2,086	32,521	33,959	648
2023	1,241	10,275	6,609	4,907
2024	960	626	17	1,569
NHS	567	250	204	613
Yearbook	3,508	7,944	10,589	863
Athletics	482	995	1,305	172
SRA	3	631	533	101
Music Club	9,625	6,021	6,125	9,521
Library	1,341	3,135	2,321	2,155
NJHS	14	-	-	14
JRSRA	1,001	-	-	1,001
YAC	1,550	1,450	1,650	1,350
Backpack	1,827	400	842	1,385
Art Club	2,880	215	306	2,789
Green Team	156	-	-	156
Steam	32	-	-	32
Sales Tax	194	1,951	-	2,145
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>\$ 29,567</b>	<b>\$ 66,414</b>	<b>\$ 64,460</b>	<b>\$ 31,521</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See note to the financial statement.

**HARRISVILLE CENTRAL SCHOOL DISTRICT**

---

**EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT**  
Year Ended June 30, 2022

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

---

The Extra Classroom Activity Funds of the Harrisville Central School District represents funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management.

The accounts of the Extra Classroom Activity Funds of the Harrisville Central School District are maintained on a cash basis and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets and accrued income and expenses, which would be recognized under generally accepted accounting principles and, which may be material in amount, are not recognized in the accompanying financial statement.



**BOWERS & COMPANY  
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

To the Board of Education  
Harrisville Central School District

In planning and performing our audit of the financial statements of Harrisville Central School District for the year ended June 30, 2022, we considered the District's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters.

**Condition: Budgeted Transfers from Reserves**

The District has budgeted appropriations from reserves in the General Fund that were not made.

**Recommendation**

We recommend that District transfers funds as budgeted. As the budgeted transfers from reserves are needed to maintain a healthy fund balance.

**Management's Response**

The District will take this recommendation into consideration when planning the 2023-2024 budget.

### **Condition: Extra Classroom Activities**

The following items were noted during our audit of Extra Classroom Activity Fund:

- We tested five profit and loss statements and noted one lacked the activity date as well as signatures from the activity treasurer and advisor.
- We tested ten receipts and noted that all ten deposit vouchers were not pre-numbered.
- We noted five clubs were inactive during the year.

### **Recommendation**

We suggest the treasurer and advisors review the NYS SED Publication, *The Safeguarding, Accounting and Auditing of Extra Classroom Activity Funds*, which outlines the procedures that should be followed regarding receipts, disbursements and record keeping within the Extra Classroom Activity Fund.

### **Management's Response**

The CBO will work with the Central Treasurer, advisors and student treasurers to follow the procedures outlined in the NYSED pamphlet. The CBO will place an order for numbered treasurer receipts for the Central Treasurer for deposits similar to the receipt forms used by the District Treasurer. All clubs have been assigned advisors for the 2022-2023 fiscal year and at the 2022 October board meeting all other inactive clubs have been approved to be closed and to transfer monies to Harrisville SRA.

### **Condition: Timely Filing for STAR Aid**

The District did not timely file the "STAR Reimbursement Application Form" with the NYS Department of Taxation and Finance. This resulted District's STAR aid of \$363,310 being delayed until after September 2022.

### **Recommendation**

We recommend the District update procedures to ensure the timely filing of "STAR Reimbursement Application Form."

### **Management's Response**

The District's management will ensure that required filing of "STAR Reimbursement Application Form" is conducted timely moving forward. The current 2022-2023 Application was submitted on time and we will be receiving both 2021-2022 and 2022-2023 funds this year.

Board of Education  
Harrisville Central School District  
October 15, 2022  
Page 3

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of the matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Education, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties

*Bowrus & Company*

Watertown, New York  
October 15, 2022



CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

October 15, 2022

To the President and Members of the Board of Education  
Harrisville Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrisville Central School District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Harrisville Central School District are described in Note 1 to the financial statements. As described in Note 3 to the financial statements, the Harrisville Central School District changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, in 2022. Accordingly, the accounting change as of the beginning of the year did not have a cumulative effect on beginning balances of net position or fund balance. We noted no transactions entered into by Harrisville Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation and amortization is based on economic useful lives of capital asset classes.

Management's estimate of present value of right to use leased assets and lease liability is based on the discount rate or implicit interest rate within the agreements in accordance with GASB Statement No. 87, *Leases*.



Management estimates actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68.

Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 15, 2022.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Harrisville Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Harrisville Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The District did not maintain sufficient restricted cash balances to fund the reserves. Furthermore, the reserve plan has not been updated in several years. The finding was disclosed as a significant deficiency on the 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*.

Other Matters

We applied certain limited procedures to *management's discussion and analysis, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual - General Fund, Schedule of District's Proportionate Share of the Net Pension Asset (Liability) –NYSLRS Pension Plan, and Schedule of the District's Contributions – NYSLRS Pension Plan*, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on *Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances- Non-Major Governmental Fund, and Net Investment in Capital Assets*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

President and Members of the Board of Education  
Harrisville Central School District  
October 15, 2022  
Page 4

Restriction on Use

This information is intended solely for the use of Board of Education and management of Harrisville Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Bowers & Company*

**Attached Material Misstatements Corrected by Management**

**Government Wide Financials**

***Non-Current Governmental Liabilities:***

<b>Adjusting Journal Entries JE # 1</b>			
To report adjustments for GASB 68 FYE 6/30/22			
W125	Provision in Future Budgets	2,449,095.00	
W638	Net Pension Liability- Proportionate Share- ERS	500,652.00	
W697	Deferred Inflows of Resources- ERS & TRS		2,949,747.00
<b>Total</b>		<b>2,949,747.00</b>	<b>2,949,747.00</b>

***Non-Current Governmental Assets***

<b>Adjusting Journal Entries JE # 1</b>			
To report GASB 68 adjustments FYE 6/30/22			
K00109	Net Pension Asset	3,137,163.00	
K00159	Total Non-Current Governmental		3,035,426.00
K00496	Deferred Outflows, Pensions		101,737.00
<b>Total</b>		<b>3,137,163.00</b>	<b>3,137,163.00</b>

<b>Adjusting Journal Entries JE # 3</b>			
To record CY additions to fixed assets			
K00102	Buildings	986,091.00	
K00104	Equipment	109,945.00	
K00105	Construction Work in Prog.(Opt	96,073.00	
K00107	Other Capital Assets	242,994.00	
K00105	Construction Work in Prog.(Opt		986,091.00
K00159	Total Non-Current Governmental		449,012.00
<b>Total</b>		<b>1,435,103.00</b>	<b>1,435,103.00</b>

<b>Adjusting Journal Entries JE # 4</b>			
To record CY deletions to fixed assets			
K00159	Total Non-Current Governmental	221,593.00	
K00107	Other Capital Assets		221,593.00
<b>Total</b>		<b>221,593.00</b>	<b>221,593.00</b>

***Non-Current Governmental Assets***

<b>Adjusting Journal Entries JE # 5</b>			
To adjust for CY depreciation			
K00117	Accum Depr.-Other Cap. Assets	29,582.00	
K00159	Total Non-Current Governmental	493,842.00	
K00102	Buildings		
K00112	Accumulated Depr-Bldgs		464,063.00
K00113	Accumulated Depr-Improvements		17,424.00
K00114	Accumulated Depr-Equipment		41,937.00
<b>Total</b>		<b>523,424.00</b>	<b>523,424.00</b>

**Fund Financials**

***School Food Service Fund:***

<b>Adjusting Journal Entries JE # 2</b>			
To reallocate available FB to reduce deficit unassigned			
C806	Reserve for Inventory	12,620.00	
C821	Reserve for Encumbrances	450.00	
C915	Assigned Unappropri Fund Balanc		13,070.00
<b>Total</b>		<b>13,070.00</b>	<b>13,070.00</b>

***Capital Fund:***

<b>Adjusting Journal Entries JE # 2</b>			
to record BAN redeemed from appropriation for amount paid from general fund			
H626	Bond Anticipation Notes Payabl	205,000.00	
BUS21X-5731.000	Bond Anticip.Notes Redmd		205,000.00
<b>Total</b>		<b>205,000.00</b>	<b>205,000.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
to correct interfund transfer			
MAIN20-2710.000	Premium on Obligations	256,422.00	
H 5031	Interfund Transfer		256,422.00
<b>Total</b>		<b>256,422.00</b>	<b>256,422.00</b>

**Capital Fund:**

<b>Adjusting Journal Entries JE # 5</b>			
to close out main capital fund and transfer excess to debt service fund			
H9901.96	Transfer to Debt Service Fund	13,911.00	
H391	Due From General Funds		13,911.00
<b>Total</b>		<b>13,911.00</b>	<b>13,911.00</b>
<b>Adjusting Journal Entries JE # 6</b>			
to reclassify between due to and from accounts			
H391	Due From General Funds	224,950.00	
H630.01	Due to Debt Service Fund		224,950.00
<b>Total</b>		<b>224,950.00</b>	<b>224,950.00</b>
<b>Adjusting Journal Entries JE # 7</b>			
to record SSBA receivable and deferred revenue			
H410	Due from state or federal governments	229,030.00	
H691	Deferred Inflows of Resources		229,030.00
<b>Total</b>		<b>229,030.00</b>	<b>229,030.00</b>

**Debt Service Fund:**

<b>Adjusting Journal Entries JE # 1</b>			
To correct roll forward of fund balance from the prior year			
V9901	Interfund Transfers	256,422.00	
V884	Reserve for Debt		256,422.00
<b>Total</b>		<b>256,422.00</b>	<b>256,422.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
to close out main capital fund and transfer excess to debt service fund			
V391	Due From Other Funds	13,911.00	
V05032	Transfer From Capital Fund		13,911.00
<b>Total</b>		<b>13,911.00</b>	<b>13,911.00</b>

***Custodial Fund:***

Adjusting Journal Entries JE # 1			
To record Library tax levy			
TC 1989.400	Public Libraries	60,000.00	
TC01001	Library Tax		60,000.00
<b>Total</b>		<b>60,000.00</b>	<b>60,000.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>60,000.00</b>	<b>60,000.00</b>
	<b>Total All Journal Entries</b>	<b>60,000.00</b>	<b>60,000.00</b>